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FRANCISCO SEEBER

B. J. M.

Great Argentina

COMPARATIVE STUDIES

BETWEEN

**Argentina, Brazil, Chile, Perú, Uruguay,
Bolivia and Paraguay**



BUENOS AIRES

155090 — Imprenta, Litografía y Encuadernación de J. Peuser

SAN MARTÍN ESQUINA CANGALLO

1904



CHAPTER I

General Considerations

The present time, when the idea is being formed of a political union, which might be converted into an alliance, between Brazil, Chile and Argentina has appeared to me opportune for making a comparative study of the degree of civilization and of the riches, power and economic laws of these countries, without excluding other neighbours, such as Uruguay, Peru, Bolivia and Paraguay, which, at least for us Argentines, cannot be less congenial, and to which we are united by sufferings and glories experienced in common.

The economic interests of different countries, reciprocally respected, are the only interests which consolidate the sentiments of fraternity, because only thus do they rest upon real and immovable bases and are not limited to words and manifestations which often are acts of mere courtesy and are soon forgotten with absence.

I will endeavour, then, to find among these nations elements of union more secure and positive, more frank and loyal, more elevated and

human. In order that the concord may be perfect, fruitful and lasting, it is indispensable to have recourse to the system of commercial reciprocity, of mutual assistance, so that all may prosper and be enriched, each one sending to the others what it can produce most easily and acquiring from them what can be obtained at a lower price and of better quality. The richer countries are the most interested in the increase of the well-being of those which are not rich, so that the latter may become larger consumers of the articles which they themselves cannot manufacture and may succeed, by the cheapening of the necessities of life, in producing their own at a less cost.

Some time has elapsed since I tried to find the means for enabling these countries to form a customs union, something like the *Zollverein*, which facilitated commerce and the collection of the revenue in the different German States, ending in consolidating their political union, and which has carried them to the wealth and power with which they dominate the whole world.

From the beginning of the past century the different German States felt the necessity of strengthening the bonds which in other times united them, by centralizing their external fiscal organization and suppressing the duties which they recovered from each other.

It would occupy too much space to enter into all the details. In 1836, the Zollverein had been already formed by 21 States with 25 millions of inhabitants. There was a mixed administration and the net proceeds which were obtained were distributed among the States in proportion to their respective populations. It underwent various alterations, being dissolved in part, until it was re-established in 1865, when it comprised 35 millions of inhabitants. After the constitution of the Empire, it formed part of the national administration, with the exclusion of Hamburg and Bremen, which, however, gave up their Custom-houses in 1888 and received 12 millions of marks by way of compensation.

Sommerlad sums up in the following manner the organization and tariff policy of the Zollverein:

«The Customs Association was a league of peoples based upon the law of nations, without a superior direction in common, formed only for the fixed term of 12 years.

«The organ of the league was the general customs convention constituted by the agents of the united countries, who assembled periodically and whose resolutions were not based upon the principle of the majority but required unanimous approbation.

«The last renewal in the old form of the law

of nations was effected on the 16th of May 1865 and the treaty of the 8th of July 1867 created a new « transitory organization ».

« The Council of the customs league, with the resolutions of the majority and the veto of the country which presided, replaced the general customs conventions with the free veto of every State independently.

« The customs parliament, formed in part by the Diet of the North German Confederation and in part by the corresponding number of Delegates sent by the South German countries, constituted in itself a parliamentary representation for legislation on the services of the Custom-houses and on the indirect contributions of the community, and held its sessions during the years 1868-1870. The articles 33-40 of the Constitution of the German Empire assigned at last the legislation on Custom-house matters exclusively to the Empire.

« The tariff policy of the Customs Association was based on the Prussian customs and excise tariffs of May 26th, 1818, but in the period of the years 1842-1846 it suffered alterations several times in a protectionist sense and the « protection duties » were often increased in favour of the production and industry of the different States of which the Association was formed.

To the abolition of the transit duties in 1861 there were added in 1865 the free-trade reforms, in consequence of the treaties of commerce entered into with France, Austria, Belgium, Italy and England, the Custom-house prescriptions of those countries being accepted for the international tariffs.

« The stages of the years 1868 and 1870 having been passed, this reform was terminated in 1873 and in the tariffs published on July 7th of that year the duties on exports were abolished and those on imported unmanufactured iron were reduced. Altogether, it may be said that the German Customs Association has always perseveringly followed (with the sole exception of the years 1842-1846) the principle approved by King Frederick William III, in his Cabinet order issued at Karlsbad on August 1st, 1817, i.e. the principle of importation duty-free for all time to come.

« The Customs Association had had, since its definite institution in the year 1834, purely beneficial consequences: the promotion of industry, especially in the South of Germany, and the progressive material development of the whole of Germany ».

In the first ten years of its existence the Census showed an increase of the population by

nearly five millions of people; the receipts of the association rose in the years 1850 to 1870 from 23 millions to 40 millions of thalers (a thaler was equal to three marks of the present money) and in 1834 gave a surplus of $\frac{1}{2}$ thaler per head of the population, which in 1843 had almost doubled itself.

The historian Treitschké says that at the end of the first ten years of the history of the Customs Association, the country had at last again attained the well-being which it enjoyed before the Thirty Years War.

Another merit of the association is the influence which it had on the confused monetary system and on the system of weights and measures. The monetary convention of the year 1838 established in a definitive manner the value of the thaler in relation to that of the florin, and the convention of 1857 fixed the pound of 500 grammes as the unit of weight for the Custom-houses.

Finally, it should be mentioned that, by the initiative of the general customs conference, convoked by Prussia on August 31st. 1847, there assembled in Leipzig the celebrated Conference which dealt with bills of exchange and which on December 9th. in the same year succeeded in elaborating a plan for the creation of general laws relating to such documents.

. Lindner, in his history of the German Nation, says: «In fact, the Customs Association maintained vitality even in the small States. Moreover, according to Bismarck's declaration on May 2nd., 1879, it was the Customs Association which prevented in Prussia, in his time, the completion of the system of indirect taxes, until the creation of the North German Confederation made it possible for Prussia to control these taxes efficaciously and with advantage. Meanwhile, the community of material interests led to the approximation of the inhabitants of the different countries, placing them in contact with each other, and thus cultivated in them the sentiment and conviction that every one of the States of Germany and every citizen in it belonged in the first place, and above all else, to the great German Fatherland, so laying the foundations upon which Prussia, after infinite struggles and difficulties, could reach the desired point of her German political aspirations ».

It may be easily understood how, imbued with these principles and examples, I have conceived ideals so beneficial and grand as those which this part of South America would attain if its interests could be united for producing results similar to

those which the German States obtained, without ignoring the fact that the circumstances would not be the same and that the fiscal and economic conventions between independent nations of different origin would have to be less strict and to be different in detail and even fundamentally compared with those which it has been possible to establish among confederated countries and which eventually formed a single nation by the identity of race, language and aspirations.

The changes of system which put an end to inveterate practices and which wound prejudices and ill-understood sentiments of national pride cannot be brusquely realised; it is necessary to design their principal features long beforehand and to wait for reason and reflection to carry them, later, into practice for the general good.

A new era of peace and mutual respect, which puts an end to alarms and distrust, is opening for these countries. The unforgettable manifestations of sympathy and the flattering attention which the Argentine President, General Roca, received in Rio, and which were so amply returned to the Brazilian President, Dr. Campos Salles, in Buenos Aires, after the termination by the arbitration of the United States of the long-

standing boundary questions between these two countries, were seconded by those which the Argentine Delegates, the bearers of the pacts signed with Chile, received, from the people of Santiago and which the Argentine people have recently manifested so spontaneously and affectionately to the Chilian Delegation. This proves that no country desires war and that all respond to the initiative of this mode of making fraternity practical and to the sincere intentions of General Roca, whose equanimity in the management of international affairs has given such advantageous results for the tranquillity of the South American continent. Also that of General Mitre, whose authoritative counsels have exercised so powerful an influence in inducing the Argentines, at the least, to desist from defending their rights by arms. It must be suggestive for the civilized world, which watches with so much interest our development and progress that the two most prominent military men in South America have been, precisely, the most determined champions of peace. Perhaps, because they have been present at and directed the most sanguinary and strategic battles, with the greatest numbers of combatants, that are recorded in South American history, and have witnessed the sterile sacrifice and brutal extermination of human life, their reflection and experience may have given

greater force to their word, so as to convince the misguided that arbitration is to-day the only decorous means for free peoples to adopt for settling their differences. It is, then, proved and confirmed that all Americans feel the necessity of working and that the Governments are desirous of economizing in order to recover the immense sums spent on the powerful elements of war which have accumulated in their arsenals. We hope that soon the questions pending between Peru and Bolivia and Chile will also be solved, as well as the inconceivable dispute between Bolivia and Brazil respecting Acre, and then this continent will be seen free, for many years, from the danger of international wars.

In spite, however, of the era of peace which is being initiated and even of the general aspirations to a political alliance of South America, it is impossible to entertain illusions respecting the possibility, at present, of an economic union such as that which I have proposed to myself to study. The differences of race and customs, the distance, the false economic principles which predominate in most of them, the complicated internal and financial political situation of some, make difficult, if not impossible, a unification of objects and of laws tending to harmonize absolutely their respective economic interests.

But, if the idea be premature, the examination of the economic interests which affect every one of these countries, the study of their laws, of their riches and civilization, the comparison of their respective productive and economic capacities, may serve for preparing the bases of a future union, and, what is more important, of an actual approximation tending to the unification of money and to the facilitation of communications, abbreviating the duration of voyages to Europe and the United States, and with it a political *entente* offering greater guarantees of peace and even of mutual defence against aggressions, which, although I deem them improbable, ought not to be disregarded.

Moreover, the data which I have collected offer, in themselves alone, a sufficient interest and may serve to rectify some erroneous appreciations and to demonstrate the comparative riches, prosperity and culture of these countries, and I believe that some of them, especially those which relate to the Argentine Republic, will be read with surprise by many persons, as well at home as abroad.

I do not pretend that all these data are perfectly exact, nor is this possible; in some cases there will be a confusion of one year with another

and deductions from them must be made approximately, but they will not differ much from the truth, and, besides, for the object of this study mathematical precision is not necessary.

The statistics of these countries are, moreover, deficient; in some they are completely wanting; many data are contradictory, which is perfectly explicable, for these people are not nor were their ancestors ever remarkable for close application and much less for exactitude.

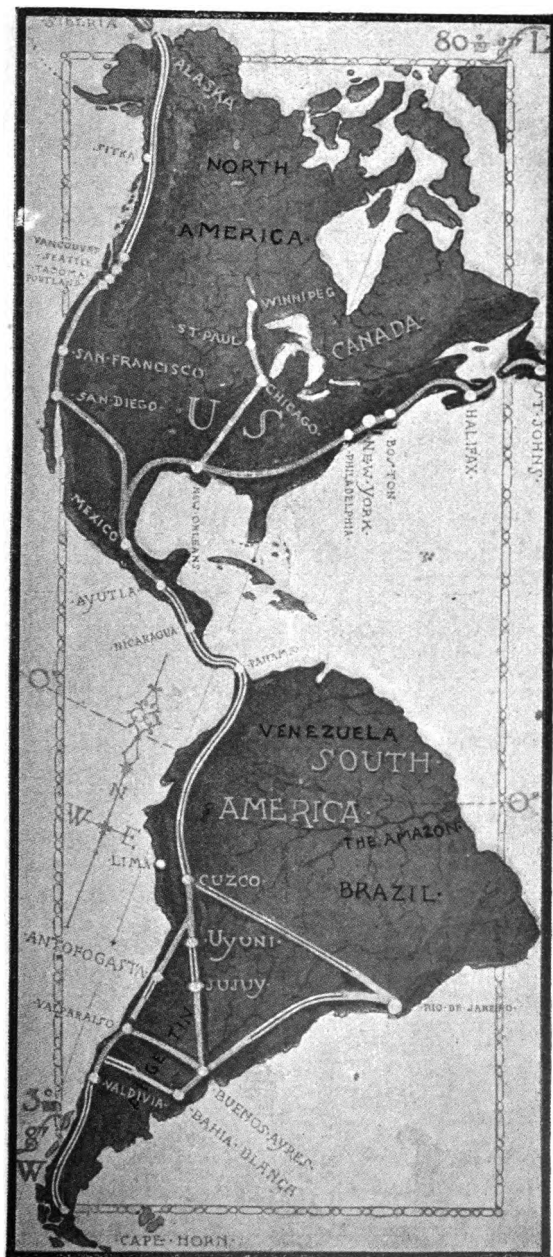
The Argentine statistics approximate most nearly to the truth, and even the director of that department, Dr. Latzina, makes note of all the imperfections, negligencies and errors committed by the offices which supply him with data, and that, for instance, the figures obtained from the Accountant General's Office do not agree with those of the Custom-house, and he gives the preference to the former. It is not strange, then, that, while the Argentine statistics of 1901 state 30 millions as the value of the exports to Great Britain, the statistics of the latter country put the value of the imports at 62 $\frac{1}{2}$ millions. The Chilian statistics in the contrary way, for the exports in 1900 to Great Britain appear as 46 $\frac{1}{2}$ millions, while the latter does not acknowledge more than 24 $\frac{1}{4}$ millions. I presume that this proceeds from a destination being given to the vessels chartered

for the «Channel for orders» different from that at which they eventually discharge their cargoes.

Farther on, important differences will be seen between the statistics of Europe and North America and those of South America.

For these reasons I must trust more to the former.

For greater clearness, I ought to state that I have reduced all the values to gold dollars at the rate of \$ 5 per £ sterling.



Panamerican railway project.

CHAPTER II

Extent and Population. — The different races. — Immigration.

The countries which are the subject of this analysis occupy 15,722,000 square kilometres. They contain different races, the white, black, yellow and mixed being represented, making in all about 31 millions of inhabitants. Their territories extend from Lat. 4° North to 58° South and are surrounded by the Atlantic and Pacific Oceans, having 5,000 miles of coast on the former and 3,000 on the latter.

The climates comprise, from the Equator to Cape Horn, all that are known on the Earth, the tropical appertaining mostly to Brazil, Peru, Bolivia and Paraguay, and the cold and temperate to Chile, Argentina and Uruguay.

Of the extent and population mentioned, there belong: 8,337,000 kilometres and 17,000,000 inhabitants to Brazil; 2,800,000 ks. and 4,800,000

inh. to Argentina; 1,770,000 ks. and 3,000,000 inh. to Peru; 750,000 ks. and 3,000,000 inh. to Chile; 1,650,000 ks. and 1,850,000 inh. to Bolivia; 184,000 ks. and 1,000,000 inh. to Uruguay; 253,000 ks. and 700,000 inh. to Paraguay.

As to Peru, the statistics of the population vary between 3 and 4 $\frac{1}{2}$ millions, the former number being the most acceptable.

Indians exist in number about 4,000,000 of whom 1,500,000 belong to Peru, 1,300,000 to Brazil, 870,000 to Bolivia, 130,000 to Paraguay, 50,000 to Argentina and 100,000 to 150,000 to Chile.

There are 2,500,000 negroes distributed as follows: 2,400,000 in Brazil, 90,000 in Peru and the rest disseminated in the other countries.

Argentina has not more than 8,500 negroes and mulattoes.

Of mixed-breds there are 5,000,000 in Brazil, 960,000 in Peru, 300,000 in Bolivia, and smaller numbers in the other countries, respecting which the statistical data are not complete.

Europeans exist in the seven countries in number about 3,726,000, of whom 2,273,000 belong to the so-called Latin race and only 443,000 to the

Germanic races, and they are distributed as follows: 2,380,000 Latin and 320,000 Germanic in Brazil, 900,000 and 100,000 in Argentina, 52,000 and 2,400 in Uruguay, 17,000 and 15,000 in Chile, 17,000 and 3,000 in Peru, 5,100 and 2,500 in Paraguay. In Bolivia there must be few, since the white natives of foreign parentage are estimated at 80,000. Of the European population in Brazil, 1,300,000 are Italians and 800,000 Portuguese. In Argentina there are 500,000 Italians and 200,000 Spaniards. The proportion of European population to the total population is 21 % in Argentina, 15 % in Brazil, 5.44 % in Uruguay, 1.08 in Paraguay, 1.03 in Chile and 0.66 in Peru.

Immigrants entered in 1897-1898 in number, on the average, of 100,000 a year into the Argentine Republic and 85,000 into Brazil. The latter gives free passages to immigrants; Argentina does not grant them. Only 2,000 entered Chile, though the government gives subsidies for them (\$ 190,000 gold per annum). In the same years, an annual average of 9,400 entered Uruguay. This immigration is equivalent to 2.60 % of the population in Argentina, 0.50 % in Brazil, 0.96 % in Uruguay and 0.06 in Chile.

These figures varied in 1901, when Argentina had 126,000 and Uruguay 9,600, and in 1900 Brazil had 30,000. A large portion of those who enter Argentina return eventually to their own country; of the other countries there are no statistical data.

Arms for work are scarce just now in Argentina, as well in the country, for the harvests, as ordinary labourers in the Capital. I do not believe that it is convenient to any of the countries to produce artificial immigration; it is preferable that immigration should be slow, as the increase of labourers is required by the development of the natural industrial cultivations; in any other manner, the error is committed which Argentina had to lament by collecting the refuse of all the European cities. Those who emigrate from Argentina consist of enriched persons who return to settle in the country of their birth; others intend to come back again; some are artisans who have not found the work which they sought. There may, however, be deeper and more general causes for the emigration.

It will be seen from the preceding data that it is only for Brazil, which has, among negroes, mulattoes, Indians and mixed-breeds, 8,700,000 of souls,

or 50 % of its population, that the question of the races can be a source of anxiety, more than it is in the United States, where the proportion of negroes, mulattoes and Indians reaches only 12 %. Peru is, also, in a disadvantageous condition because it has 33 % of that population. The countries which are free from this inconvenience are Argentina, Chile and Uruguay.

INCREASE OF POPULATION FROM 1886 to 1901

The population has increased or decreased in 15 years in the following proportions :

Paraguay.....	133	%
Argentina.....	+	60 »
Uruguay.....	+	54 »
Brazil.....	+	37 »
Chile.....	+	24 »
Peru.....	+	15 »
Bolivia.....	—	19 »

It must be mentioned that Chile in the last censuses allowed an increase of 15 % for probable errors. If this had not been done in former calculations its increase would be only 9 %. As for the increase of Paraguay, the observations made by Dr. Latzina must be remembered in comparing it with the other countries, viz.; that when

there is only one inhabitant on an island and he gets married in another and takes home his wife and mother-in-law, the population is increased by 200 %. Paraguay, so depopulated after the war which terminated in 1870, has been able to grow in population by 133 %, without this fact giving it greater importance in reference to immigration. I may also remark that we can not have great confidence in Paraguayan statistics, owing to the careless manner in which they are worked out.

CHAPTER III

Public Education and Administration of Justice.

The diffusion of education is still backward in some parts of the South American Continent.

The school attendance is usually slack and to the numerous religious feast-days are added several patriotic festivals. In most of the countries education is obligatory, but none of the governments can strictly fulfil this prescription, for want of resources. Recourse might have been had to the Australian system of travelling schools, which permits that country, with a smaller number of inhabitants per kilometre than any of the South American States, to educate twice as many pupils, for instance, as Argentina, which already educates 3 % more than Uruguay, three times as many as Chile and five times the number of Brazil. All these countries are, besides, much nearer Europe and were constituted 200 years before Australia.

The following are, more or less, the proportions of attendance at the schools in relation to the respective populations:

Argentina.....	10	%
Uruguay.....	7	»
Chile.....	3.70	»
Paraguay.....	3.50	»
Peru.....	2.86	»
Brazil.....	2	»
Bolivia.....	2	»

Of those who can neither read nor write there are in:

Brazil.....	84	%
Argentina.....	50	»

Data are wanting respecting the numbers of these in the other countries.

The inhabitants of Argentina who can neither read nor write are distributed among the different provinces and territories in the following proportions.

Santiago.....	82	%
Jujuy.....	76	»
Tucumán.....	74	»
Salta.....	73.5	»
National Territories.....	71	»
Catamarca.....	70	»
Corrientes.....	68	»
Rioja.....	65	»
San Luis.....	60	»
San Juan.....	60	»
Mendoza.....	55	»
Entre Ríos.....	54	»
Buenos Aires.....	45	»



Santa Fe.....	44.6	o/o
Córdoba.....	42	»
Federal Capital.....	25	»
The whole Republic.....	50.5	»

There is a little of heredity in all this, for the persons unable to read or write in the countries from which the large majority of those who inhabit this part of the continent derive their origin are sufficiently numerous, the proportions being in

Portugal	79	o/o
Spain.....	63	»
Italy.....	48	»

On the other hand, the English have 8 o/o, the North Americans, in the white population, 4.6 o/o and the Germans (omitting the Poles) only 0.20 o/o. The coloured in the States 44.5 o/o.

The Latin races always present very notable differences in their efforts at education, when they are compared with Germanic races. I exclude France, which has not more than 14 o/o of inhabitants who cannot read or write, and which, in strictness, is not Latin.

The same thing occurs in the Catholic countries, as may be seen by studying the following data:

In Germany it has been proved that, of 10,000 individuals unable to read or write of different religions, there were:

Catholics	3697
Jews	1920
Protestants	1797
Dissenters	1398

Among the conscripts, the following reductions in every 10,000 have been noted in the last ten years:

Germany	from	237	to	12
Alsace	»	179	»	2
France	»	1975	»	518
Italy	»	5262	»	3894
Russia	»	7877	»	6110

As is seen, the Germans always predominate and Italy and Russia remain with proportions little encouraging.

In South America these comparisons have not been made but the military service in Argentina and in Chile returns « alfabetos » all the conscripts who enter without knowing how to read or write.

Of all South American countries, Argentina is that which makes the greatest progress and its programmes, more practical, begin to give better results. Masters are sought in Europe and the United States and the best methods of teaching of those countries are studied, and the present government does not omit any effort to introduce technical schools.

Few of these countries have an administration of Justice with rapid modes of procedure, but there

has been a little exaggeration respecting their defaults and negligencies, and it must be acknowledged that laudable efforts are made to improve them. The governments have been convinced of the discredit occasioned by the mal-administration of justice and that it keeps away immigration and capital; an ill-ordered system produces, as one of its most deplorable consequences, high rates of interest for borrowed money, thus impoverishing the class which works and produces. One of the most striking instances of this fact is afforded by the New Zealand Mortgage Company which charges 9 % for loans in Buenos Aires and 5 % in New Zealand. The proceedings there for putting the mortgage in force are rapid, expeditious and just; here the intervention of third parties makes the suits interminable, and eventually, with the extravagant law expenses, the creditor is as much prejudiced as the debtor. Uruguay has adopted some proceedings which abbreviate and make more efficacious the process for enforcing mortgages, and it would be well for its neighbours to imitate it.

I cannot state exactly what each one of these countries spends on Public Education, because, in most of the figures which I have been able to obtain, those relating to justice are included in those of Public Education; they are distributed, more or less, in the following manner:

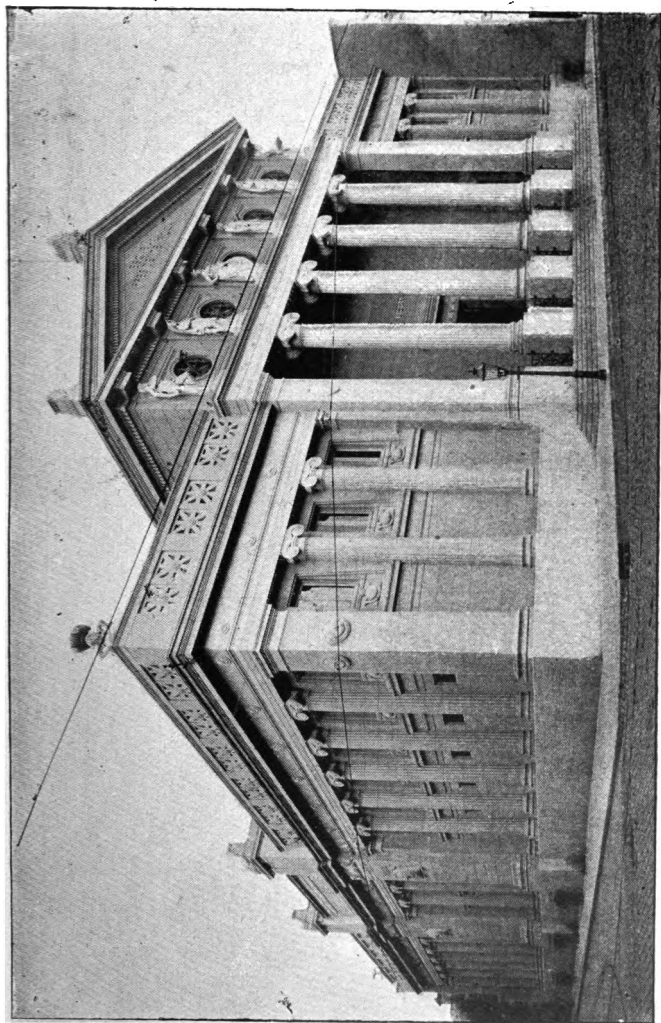
	Thousands
Argentina—the Nation. \$ 5,720	
» the provinces. » 5,000	\$ 10,720
Chile	» 5,480
Brazil.....	» 2,720
Uruguay.. ..	» 2,660
Peru....	» 725
Bolivia.....	» 550
Paraguay.....	» 205
	<u>\$ 23,060</u>

Resulting per inhabitant:

Uruguay.....	\$ 2.77
Argentina.....	» 2.23
Chile.....	» 1.78
Paraguay.....	» 0.32
Bolivia.....	» 0.30
Brazil.....	» 0.36
Peru.....	» 0.15

To these sums must be added those which the different States of Brazil pay for Justice and Public Education, of which particulars are wanting, their statistics being in general very backward and deficient.

Argentina and Uruguay much surpass the other countries, and Argentina, spending a little less than Uruguay, educates, nevertheless, 3 % more of her population. Australia and New Zealand, which have three times the territory of Argentina



BUENOS AIRES — School «President Roca»

Architect Carlos Motta

and the same population, spend on public education only \$ 12,000,000, that is to say \$ 2.40 per inhabitant.

Anxiety is constantly felt respecting the political destiny of these countries. There is talk of foreign absorptions, conquests and invasions. The partition of Southern and Central America among the United States and some European States is the dream of those who consider that they would be benefited by it and who base upon these fancies not a few schemes which appear very simple on paper. One of our most distinguished guests Colonel Sir Thomas Holdich, the delegate of the King of Great Britain and Ireland, arbitrator in the boundary question between Chile and Argentina, would appear also to participate in these fears, for, at a banquet which the President of Argentina gave in honour of him, he recommended that we should not neglect military education but remember the maxim : *Si vis pacem para bellum*.

The militarization of these new countries, with a sparse labouring population, is not an evil if limited to teaching every citizen the use of fire-arms, in imitation of the Swiss. But they have their greatest enemy, some more than others, at home, as may be seen by the preceding figures. The greatest danger to prosperity and of being conquered consists in maintaining the

masses in the ignorance in which they live. It is unworthy of the civilization of the present century to show so large a number of illiterate people, as it is, also, to adopt defective methods of teaching and to be constantly changing, through the caprice of the directors, the programmes of study with improvised text-books, which have not obtained either the sanction of the nations which excel us in the matter or the ripeness of experience. War should not be declared against knowledge and intelligence, by making it impossible for the foreigner, and even for the native who has been educated at his own expense in superior universities, to practise a scientific profession without submitting to mortifying examinations imposed for the protection of those who study in the universities of their own country.

The intentions of the Governor of the Province of Buenos Aires deserve to be mentioned. The Municipalities owe the Council of Education \$ 2,600,000 gold and he has in his hands the means of making them pay that sum and he proposes to apply it to the construction of several economical schools which will permit double the present number of pupils to attend them. More-

over, the primary education will be of a practical character and will not extend over more than three years; the secondary education will be left to private effort.

A nation is only powerful and resistent when every inhabitant is a conscient being, apt for the rapid assimilation of all the resources which modern science and mechanical art have placed within man's reach for defending the territory which he has learned to love, and when he can appreciate the duties which national honour imposes. It is not the warrior spirit, nor the victories, nor the conquests that peoples have achieved which have caused their progress, it is the school, study, persistence and method for the development of their riches. History has shewn that decadence has been the fate of nations which, though they could boast of their triumphs in war, disregarded education and from conquerors were converted into the conquered and oppressed, and many of them have attained greater prosperity after defeat than when their power was at its apogee.

CHAPTER IV

Post Offices and Telegraphs.

Next to public education, nothing gives a more precise idea of the advance of a country than its postal and telegraphic movement, nothing contributes more to the progress and union of peoples than a careful service in the rapid transmission of correspondence, of periodicals, of books, of postal parcels, of drafts and orders.

Stephan, the great organizer of international postal services, who freed them from a fiscal character, is one of the greatest benefactors of humanity, and the union, created by him, permits men to communicate their ideas and satisfy their necessities with considerable rapidity and economy.

The principal European countries have attained incredible perfection in the security of the postal and telegraphic service. Many of them, in spite of their low tariffs, cover their expenses and even obtain surpluses; Germany expends \$ 105,000,000 and receives \$ 110,000,000; Great Britain expends \$ 73,850,000 and receives \$ 89,000,000; France expends \$ 40,600,000 and receives

\$ 56,000,000; Italy expends \$ 16,400,000 and receives \$ 16,600,000.

In America, the United States expend \$ 124,000,000 and receive \$ 121,000,000; Canada expends \$ 5,100,000 and receives \$ 4,600,000. Argentina, with a movement greater than that of Canada, expends 40 % less, the loss does not represent more than 18.7 %, and in a few more years that deficit will entirely disappear, notwithstanding that every year the telegraphic lines increase and new post-offices are created.

The countries which are the subject-matter of this study present the following figures in respect of the administration of their post-offices and telegraphs during the last few years :

	<i>Expenses.</i>	<i>Receipts.</i>
	Thousands.	
Argentina	\$ 2,980	\$ 2,376
Brazil (?)	» 5,417	» 3,845
Chile	» 440	» 430
Uruguay	» 350	» 364
Perú	» 203	» 210
Bolivia	» 80	» 70

The expenses and receipts of Brazil, stated in the *Gotha Almanac*, appear to me to be erroneous, seeing that with only one-sixth part of the movement it appears to be receiving 60 % more than Argentina; either the movement is greater or the receipts are less. The expenses, also, are double.

The postal movement is represented in 1901 and 1902 in the following proportions:

	<i>Pieces received and despatched</i>		
	<u>Offices.</u>	<u>Thousands.</u>	<u>Per inhabitant.</u>
1902 Argentina...	1,690	350,000	77
1899 Brazil.....	1,603	67,300	4
1900 Chile.....	751	63,000	21
1901 Uruguay ...	708	21,500	21
1900 Perú.....	369	8,800	3
1901 Bolivia.....	328	3,050	2
1900 Paraguay...	142	1,750	2 1/2
	<u>5,591</u>	<u>515,400</u>	

As is seen, in the total movement the Argentine is almost 70 % and it is 19 times greater than that of Brazil and nearly four times greater than that of Chile, per inhabitant.

Although there are differences of one, two and three years in the comparison, it may be asserted that Argentina is the only country in which the movement increases.

The growth of the postal service in Argentina is very considerable; only a few years ago it was inferior to that of Australia, a country with about the same population and with similar productions, and, now, the movement of the former exceeds that of the latter by 15,000,000 pieces (in 1900). It also exceeds the Canadian movement of 1901 by 14,500,000 pieces.

Argentina also surpasses France, which had in 1902 a movement of 65 pieces per inhabitant, but is still behind the United States which had 200, Germany with 120 and Great Britain with 91.

The telegraph lines had the following movement:

	<i>Lines.</i> — Kilometres.	<i>Telegrams.</i> — Thousands.
Argentina....	21,900	3,600
Brazil.....	23,600	1,505
Chile.....	19,100	1,280
Uruguay.....	7,400	397
Perú.....	4,200	153
Bolivia	4,560	150
Paraguay.....	780	97
	<u>81,540</u>	<u>7,182</u>

In the telegraphic movement Argentina has more than 50 % of the above aggregate, but, comparing it with Australia and New Zealand, it has not yet reached one-half of their movement, seeing that in 1900 those countries received and despatched 8,000,000 telegrams.

One of the signs, almost unequivocal, for measuring the prosperity, the culture and the advancement of a country is its postal and telegraphic movement and this, having regard to the data which I give, represents an indisputable triumph for Argentina.

Although it is the South-American country most distant from Europe and the United States, the telegraphic information of its Press, in spite of the dearness of the transmission of the despatches, is the most complete and perfect in the whole world.

CHAPTER V

Railways.

The details that can be obtained, in general, of railway traffic are very deficient and it is impossible to make an effective comparison of all the lines, of their gauges and of the movement of goods and passengers. Argentina and Uruguay are the only countries in this part of America which have exact statistics upon this subject.

In 1901, the following railways existed :

	Kilometres	IN THOUSANDS		
		Capital	Passengers	Goods
Argentina.....	17,000	\$ 569,000	20,100	14,500
Brazil	14,500	» 434,000	—	—
Perú	2,000	» 180,000	—	—
Chile.....	4,800	» 130,000	6,500	2,200
Uruguay.....	1,800	» 50,000	880	960
Bolivia	1,000	» 20,000	—	—
Paraguay.....	240	» 4,800	24	75
	kl. 41,340	\$ 1,387,800		

The capital per kilometre represents in:

Perú	\$ 90,000
Argentina.....	> 33,400
Uruguay.....	\$ 31,500
Brasil.....	> 29,700
Chile.....	> 27,000
Bolivia.....	> 20,000
Paraguay	> 20,000

These amounts cannot be considered as the actual cost of the lines, since, in most cases, the share capital has been «watered», as the English say, having passed from one hand to another and the Companies having had to pay premiums, commissions, profits of syndicates, and even as regards the lines constructed by the Governments the cost has been rather high.

In Argentina most of the railways have the gauge of 1.68 m., and a few in the North that of a metre. In Chile, the gauge of one half of the lines is 1.68 m. and of the other half 75 cm. In Brazil the gauges vary from 1.44 m. to 75 cm. In Uruguay they are all 1.44 m. and in Bolivia 75 cm.

The above amounts shewing the cost of the railways in the respective countries are not really very excessive, considering that in the United States, where the steel is close at hand, the average capital of the lines is \$ 36,200 per kilometre.

In Europe the capital per kilometre is in :

The United Kingdom.....	\$	163,000
France	»	85,700
Switzerland.....	»	68,100
Italy.....	»	66,800
Germany.....	»	63,400

The profits per kilometre and on the capital represent in:

Argentina.....	\$	1,050	=	3.44	%
Uruguay	»	570	=	1.80	»
United States.....	»	1,580	=	4.14	»
United Kingdom...	»	5,400	=	3.31	»
Germany	»	3,960	=	6.24	»
France.....	»	3,620	=	4.23	»
Switzerland.....	»	3,070	=	2.21	»
Italy.....	»	1,050	=	1.42	»

Precise details are wanting respecting the other countries. In Chile, for instance, half of the railways belong to the State and are worked at a loss of \$ 350,000 a year. Taking all the railways together, they appear, according to the « Statesman's Year Book », to have given, in 1901, a net profit of \$ 8,000,000.

The preceding figures shew that in Argentina, where the railways produce almost the same as in the United Kingdom (although in the latter country the capital is five times greater), less than in France and the United States and nearly half as much as in Germany, there is little justification for the complaints respecting the tariffs for goods

and passengers. Moreover, the accommodation provided for travellers is surpassed only in Germany.

Undoubtedly, what must be most suitable for Argentina, where the plains facilitate the laying of railways, is that the gauge of new main lines and of other auxiliary lines should be a metre, which would reduce their cost considerably, and already with this gauge trains run conveniently with the maximum velocity obtained on the broad-gauge lines here, which does not exceed 45 kilometres an hour.

For every 1000 inhabitants these countries had in 1901 the following lengths of railways :

Argentina.....	km.	3.50
Uruguay.....	»	1.86
Chile.....	»	1.48
Brazil.....	»	0.85
Perú.....	»	0.66
Bolivia.....	»	0.55
Paraguay.....	»	0.37

For every 100 kilometres of superficies they had the following lengths of railways :

Paraguay.....	km.	0.94
Uruguay.....	»	0.86
Chile.....	»	0.63
Argentina.....	»	0.57
Brazil.....	»	0.17
Perú.....	»	0.11
Bolivia.....	»	0.06

The United States had, in 1900, in a territory of 9,383,000 square kilometres, 312,000 kilometres of railways, which is equivalent, with 76 millions of inhabitants, to 4.86 kilometres for every 1000 inhabitants, while the proportion for the South American countries is 1.3 km. per 1000 inhabitants. In relation to territory, there are 39.3 kms. of railway in the United States per 1000 kilometres of superficies and $2\frac{1}{2}$ kms. in this part of South America. The United States have 15,000 kilometres of railway more than the whole of Europe including the lines which Russia has in Asia and Turkey in Asia Minor.

These figures demonstrate that the South American countries are in their infancy in the matter of railways and that these can and ought to take a greater development, seeing that they facilitate population and that in the agricultural regions grain is sown *pari passu* with the extension of the railways and in six months produces abundant crops. As I have previously stated, the narrow-gauge railways, which in Argentina might be constructed for less than \$ 15,000 gold per kilometre, will be the railways of the future.

The longest distance by railway is run in Argentina, from Jujuy to. Bahia Blanca and thence to the confluence of the rivers Neuquen and Limay, making a total distance of 2800 kilometres.

The railway in construction from Jujuy to Tupiza in Bolivia, which will have a length of 283 kilometres, can be completed in two years and will give Bolivia a rapid and more economical means of communication with Europe and the United States. This line will cross heights of 3724 metres and will cost \$ 7,000,000 gold, or, say, \$ 24,300 per kilometre.

It is, too, not impossible that the intercontinental railway may be carried into execution, so that one would be able to travel by railway from Behring Strait to the Strait of Magellan, but the work would be extremely expensive and its returns would be doubtful.

The Transandine Railway, which will unite Chile with Argentina, will remain paralysed for many years at Las Cuevas, on the Argentine side. The statesmen of Chile oppose its realization, fearing, as it appears, that this railway would depopulate Chile, by favouring the transfer of Chilean labourers to Argentina, where they would obtain higher wages, and as the population of Chile increases very little, either by vegetative increase or by immigration, in a very short time she would see it diminished. Nevertheless, though this remote danger may exist, there are other much greater advantages in prospective for Chile; she would be nearer to Europe by ten days; Valparaíso

would be the port of communication for a part of the Pacific and be in a straight line for Sydney. Rapid lines of steamers, making the passage to Buenos Aires in ten days, which have already been proposed to the Argentine Government upon condition of its paying a relatively small subvention, would make this the preferred route for the whole of the Pacific coast and there would be a great flow of commerce to Valparaiso. Chile would thus obtain positive economic results against artificial conveniences which, if apparently beneficial to the country, injure individually every one of its inhabitants. Durable advantages cannot be based upon the violation of the laws of progress and of what is imposed by civilization.

Before long, Chile will act in the same way in the South by preventing the South Argentine railway from crossing its frontier by way of Las Lajas in order to effect a junction with the Chilian lines at Victoria, and the world will contemplate with astonishment so strange a proceeding and will think that we have returned to the times in which the inhabitants believed that they heard thunder and saw lightning when the Europeans were discharging their fire-arms.

Moreover, with these lines Chile would be able to obtain meat at lower prices, and also flour, which she has already had to import from

Australia; she would also be able to sell her products upon better terms, by cheapening the necessities of life for her inhabitants and enabling them to increase their savings. This question I will, however, deal with more fully in subsequent chapters.

This opposition on the part of Chile to the completion of the Transandine Railway is in accordance with the opinion of the President Lerdo de Tejada that the desert ought to exist between Mexico and the United States, in order to prevent North America from exercising an influence in Mexican territory.

Today, the railways from New York arrive at the city of Mexico, and, little by little, that country, by the diminution of its illiterate inhabitants, who constituted in 1895 about 90 % of its population, and by being placed in closer contact with the peoples of higher civilization, will, among other things, obtain an augmentation of European inhabitants, now not more than 30,000, and of North Americans, now about 15,000.

CHAPTER VI

Special Commerce—Interchange or Protection

The commerce which exists between these countries has not attained the importance which it ought to possess. This is due, in part, to the deficient means of communication, in part to the imperfect elaboration of the articles which they produce, but more than all to the irreflective protection which they reciprocally grant to their products, by means of prohibitive tariffs which make importation on a large scale impossible.

The commerce between these countries is as follows :

		Importation	Exportation	Total \$ gold	
Argentina	Brazil....	4,386	9,702		
	Uruguay..	679	3,711		
	Chile.....	111	568		
	Paraguay..	1,768	216		
	Bolivia...	139	541	7,083	14,738
Brasil ...	Argentina.	8,960	3,200		
	Uruguay..	4,300	1,600		
	Chile.....	149	1,540	13,409	6,340
<i>Carried forward</i>				20,492	21,078

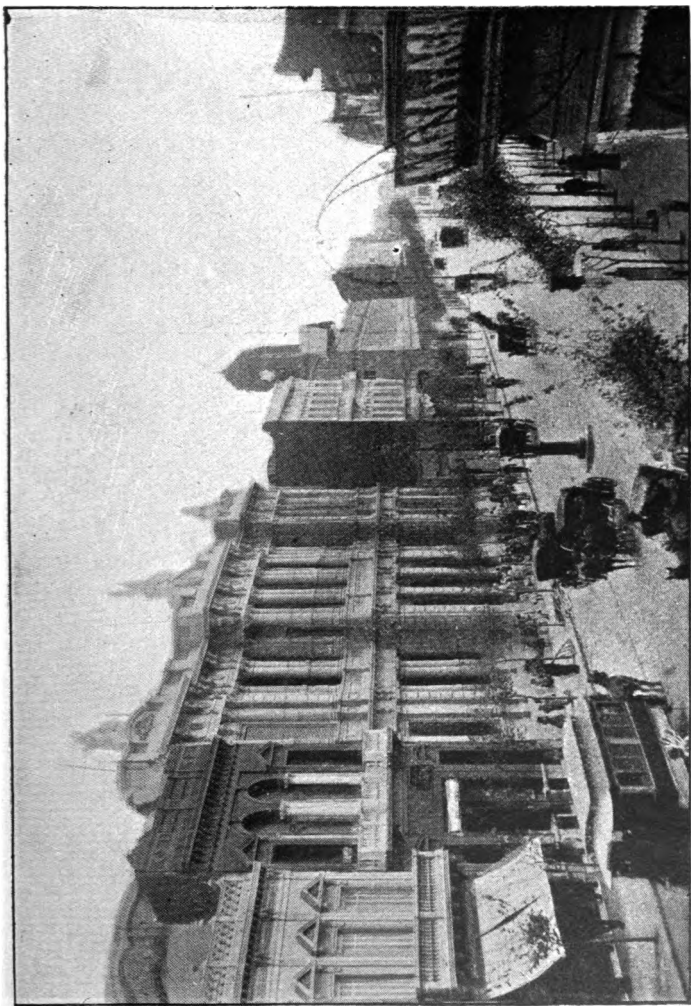
		Importation	Exportation	Total \$ gold	
<i>Brought forward</i>				20,492	21,078
Uruguay .	{ Argentina.	3,075	4,340		
	{ Brazil.....	1,541	4,454		
	{ Chile.....	88	289		
	{ Paraguay.	153		4,857	9,083
Chile...	{ Argentina.	1,015	155		
	{ Brazil. . .	616	60		
	{ Uruguay .	804	208		
	{ Perú.....	2,886	670		
	{ Ecuador..	430	231		
	{ Bolivia...		732	5,551	2,056
Boliqia..	{ Argentina	266	139		
	{ Chile	732			
	{ Perú.....	678	50	1,676	189
Paraguay{	Argentina	216	1,768		
	Uruguay .		153	216	1,921
Perú....	{ Chile	458	3,079		
	{ Bolivia...	50	504	508	3,583
				<u>33,300</u>	<u>37,910</u>

As is seen, the country which figures with the greatest exportation is Argentina with \$ 14,738,000 and that which imports most is Brazil with \$ 13,409,000, or rather more if the figures of every country are compared which differ a little.

This commerce can and ought to be more active and I believe that, even if a Customs Union

could not be attained, at any rate the revision of the tariffs, upon the basis of reciprocity, might be conducive to that object. I do not see why the North-Americans should be able to introduce flour and preserved meats into Brazil, with 21 days' voyage, when these articles can be obtained from Buenos Aires in three days, and perhaps of better quality, at least as regards flour. Brazil produces cotton, Argentina wool, both countries protect woven fabrics, and it would be easy to come to an understanding on so important a matter. With the meat-freezing establishments in combination with frigorific stores in Brazil, meat as good and sound as if it were fresh might be substituted in the latter country for the unwholesome and uncleanly dried beef.

Farther on, I shall deal with the duties which these countries impose upon each other's productions, with their unjustifiable inequalities and with the means for correcting them.



BUENOS AIRES — Callao Avenue and Sarmiento School

CHAPTER VII

General Commerce of Importation and Exportation in 1901

If we accept the respective figures of each one of these countries, the aggregate foreign commerce reached, in 1901, more or less, \$ 729,500,000; but if we take into account the statistics of the principal countries, such, for instance, as Great Britain, the United States, Germany, France and Belgium, it is seen that the commerce with these countries alone, which figure with \$ 519,000,000, appears in the former with \$ 661,000,000; that is to say, \$ 142,000,000 more.

IMPORTATION

According to the statistics of each one of the countries which I am analysing, the foreign commerce appears divided in the following manner:

	Thousands
Argentina.....	\$ 281,676
Brazil	» 214,345
Chile	» 118,485

Uruguay.....	\$ 51,423
Perú	» 34,075
Bolivia	» 23,993
Paraguay.....	» 5,533
	<u>\$ 729,530</u>

The commerce of importation is represented by \$ 280,843,000, in the following manner:

	<u>Thousands</u>
Argentina.....	\$ 113,960
Brazil	» 69,728
Chile.....	» 51,415
Uruguay	» 23,692
Perú	» 11,585
Bolivia	» 7,459
Paraguay	» 3,004
	<u>\$ 280,843</u>

As is seen, Argentina receives as much as Brazil and Chile together.

EXPORTATION

This represents a sum of \$ 448,687,000 contributed by

	<u>Thousands</u>
Argentina	with \$ 167,716
Brazil	» » 144,617
Chile	» » 67,070
Uruguay	» » 27,731

Perú	with	\$	22,490
Bolivia	>	>	16,534
Paraguay	>	>	2,529
			<u>\$ 448,687</u>

In the commerce of importation and exportation the principal European nations and the United States are represented in the following manner:

	<u>Thousands</u>
Great Britain	\$ 197,572
United States	> 113,527
Germany	> 98,376
France	> 76,413
Belgium	> 33,314
Austria-Hungary	> 31,500
Italy	> 27,084
Spain	> 8,521
Holland	> 7,476

But, as I have already said, these figures differ notably from those which these countries present, and which show:

	<u>Thousands</u>
Great Britain (without Bolivia)	\$ 206,782
United States	> 149,849
Germany (without Perú, Bolivia and Paraguay)	> 140,785
France (without Bolivia and Paraguay)	> 76,413
Belgium (without Bolivia and Paraguay)	> 45,340

GREAT BRITAIN

Commerce with various countries in thousands of gold dollars, according to its statistics for 1901

	Importation	Exportation	Total
Argentina.....	62,460	34,640	97,100
Brazil.....	24,780	22,200	46,980
Chile.....	21,600	17,130	38,730
Perú.....	9,060	5,570	14,630
Uruguay.....	2,370	6,835	9,205
Paraguay.....		137	157
Total...	120,270	86,512	206,783

UNITED STATES

	Importation	Exportation	Total
Brazil.....	70,643	11,576	82,219
Argentina.....	8,065	11,290	19,355
Chile.....	8,683	5,282	13,965
Rest of América	17,555	16,755	34,310
Total...	104,946	44,903	149,849

GERMANY

	Importation	Exportation	Total
Argentina.....	50,200	13,550	63,750
Brazil.....	28,470	8,870	37,340
Chile.....	25,170	8,500	33,670
Uruguay.....	3,625	2,400	6,025
Total...	107,465	33,320	140,785

FRANCE

	Importation	Exportation	Total
Argentina.....	56,980	9,940	66,920
Brazil.....	15,780	7,540	23,320
Chile.....	14,850	3,280	18,130
Uruguay.....	4,200	2,340	6,540
Perú.....	1,380	960	3,340
Total...	94,190	24,060	118,250

BELGIUM

	Importation	Exportation	Total
Argentina.....	19,900	4,220	24,120
Brazil.....	7,300	2,980	10,280
Chile.....	6,600	1,180	7,780
Perú.....	600	240	840
Uruguay.....	1,840	480	2,320
Total...	36,240	11,100	45,340

In the commerce of exportation the following differences are noted :

	Thousands
Great Britain from Argentina.....	\$ 62,500
Argentina from Great Britain....	> 29,900
Difference +	<u>\$ 42,600</u>
Great Britain from Brazil.....	\$ 25,000
Brazil from Great Britain.....	> 18,700
Difference +	<u>\$ 6,300</u>

Great Britain from Chile.....	\$ 21,500
Chile from Great Britain.....	> 47,000
Difference —	<u>\$ 25,500</u>

United States from Argentina.....	\$ 8,000
Argentina from United States.....	> 9,200
Difference —	<u>\$ 1,200</u>

United States from Brazil.....	\$ 70,600
Brazil from United States.....	> 62,400
Difference. +	<u>\$ 8,200</u>

United States from Chile.....	\$ 8,600
Chile from United States.....	> 1,200
Difference +	<u>\$ 7,400</u>

Germany from Argentina.....	\$ 50,000
Argentina from Germany.....	> 21,500
Difference +	<u>\$ 28,500</u>

Germany from Brazil.....	\$ 25,000
Brazil from Germany.....	> 21,000
Difference +	<u>\$ 4,000</u>

Germany from Chile.....	\$ 25,000
Chile from Germany.....	> 7,600
Difference +	<u>\$ 17,400</u>

France from Argentina.....	\$ 56,800
Argentina from France.....	> 28,600

Difference +	<u>\$ 28,200</u>
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France from Brazil	\$ 15,300
Brazil from France.....	> 16,800

Difference —	<u>\$ 1,500</u>
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France from Chile.....	\$ 14,800
Chile from France.....	> 3,050

Difference +	<u>\$ 11,750</u>
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Belgium from Argentina.....	\$ 19,200
Argentina from Belgium.....	> 13,100

Difference +	<u>\$ 6,100</u>
--------------	-----------------

Belgium from Brazil.....	\$ 7,500
Brazil from Belgium.....	> 3,170

Difference +	<u>\$ 4,330</u>
--------------	-----------------

Belgium from Chile.....	\$ 6,800
Chile from Belgium	> 4

Difference +	<u>\$ 6,796</u>
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As is seen, the exportation of these countries figures as follows:

Argentina.....	\$ 196,500	against	102,300
Brazil.....	» 143,000	»	122,000
Chile.....	» 76,700	»	58,854
	<u>\$ 416,200</u>	»	<u>283,124</u>

There is, then, a difference in favour of:

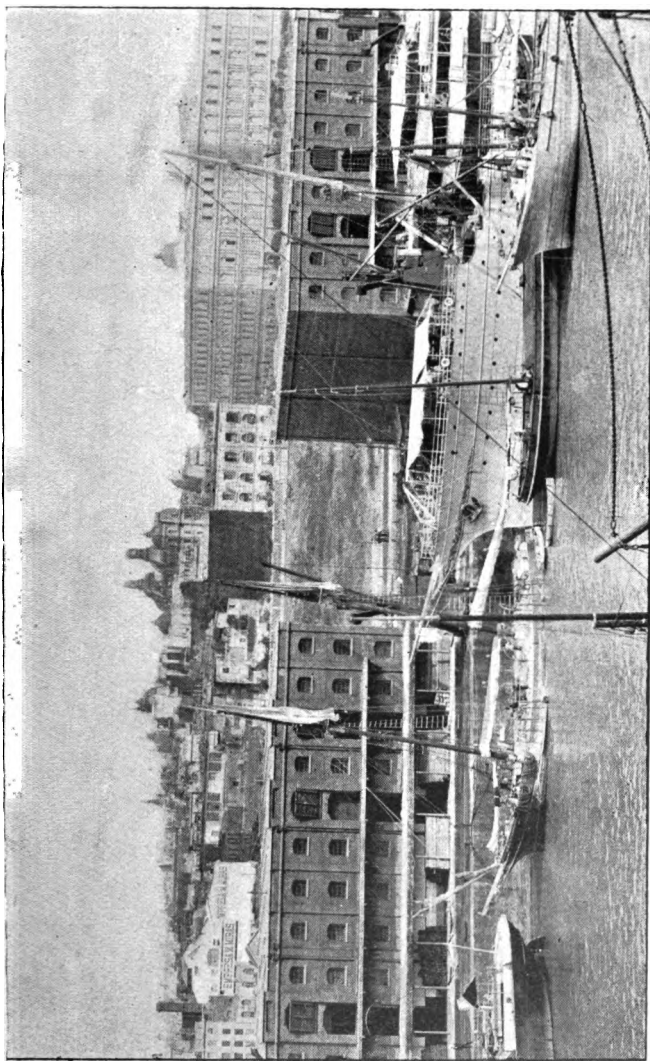
Argentina.....	of \$ 94,200
Brazil	» » 21,430
Chile	» » 17,846

Argentina has, then, a movement of exportation almost equal to that of Brazil and Chile combined.

Value of Exports of the principal European countries and United States during the year 1902 as per statistics of the said countries.

IN THOUSANDS OF DOLLARS GOLD

TO THE FOLLOWING COUNTRIES	GREAT BRITAIN	UNITED STATES	GERMANY	FRANCE	BELGIUM	ITALY	HOLLAND	SPAIN	TOTAL
Argentine Republic.	37,000	9,600	11,800	10,200	2,700	12,100	700	2,600	86,700
Brazil.....	26,950	10,300	11,000	7,700	3,100	3,300	550	—	62,900
Chile.....	14,200	3,700	8,100	3,600	1,300	—	—	—	30,900
Uruguay	6,200	2,100	3,000	2,100	400	2,100	—	1,100	17,000
Perú	4,740	3,000	3,200	560	250	750	—	—	12,500
Bolivia.	1,050	480	1,150	490	400	130	—	—	3,700



BUENOS AIRES PORT -- View of Dock N.º 3

**Value of Imports of the principal European countries
and United States during the year 1902 as per
statistics of the countries receiving them.**

IN THOUSANDS OF DOLLARS GOLD

FROM THE FOLLOWING COUNTRIES	GREAT BRITAIN	UNITED STATES	GERMANY	FRANCE	BELGIUM	ITALY	HOLLAND	SPAIN	TOTAL
Argentine Republic.	70,000	11,100	50,300	50,800	20,700	6,300	2,900	5,100	217,200
Brazil	31,000	79,200	29,700	14,000	5,400	2,900	12,200	—	174,400
Chile.	22,600	7,700	28,300	12,600	5,800	1,790	—	120	78,910
Uruguay.	2,500	1,940	3,200	4,400	2,100	480	—	1,100	15,720
Perú.	6,700	3,500	1,470	1,800	600	40	—	—	14,110
Bolivia... ..	2,400	825	1,615	485	40	35	—	—	5,400

Argentine Republic in 1903

The first 9 months of 1903 give for Argentina
the following figures:

	Thousands
Exports.....	\$ 176,000
Imports.....	» 100,300
	<u>\$ 276,300</u>

The same 9 months of 1902 shew:

Exports.....	\$ 136,700
Imports.....	» 77,800
	<u>\$ 214,500</u>
Balance in favour of 1903.....	\$ 61,800

CHAPTER VIII

Movement of Importation

From 1886 to 1901 the importation increased in all these countries, except in Brazil, where it diminished. The following are the proportions:

Paraguay.....	+	85	%
Peru.....	+	24	>
Chile.....	+	21	>
Bolivia.....	+	21	>
Argentina.....	+	17	>
Uruguay.....		17	>
Brazil.....	-	9	>

If the protective tariffs did not impede the free development of commerce, the importations from abroad would be much greater, the public revenues would increase and the producers would live more cheaply. Today, raw material enters with very low duties and European capital possesses itself of the protected industries and carries the profits out of the country. It must not be forgotten that competition and stimulus, accompanied by the necessity of working, produce much more advantageous results for the improvement of industries

than the indolence and incompetence encouraged by the protecting governments. More injury, besides, is done to the protected artificial industries by the internal competition of those which are established under the hallucination caused by the extraordinary profits which the former, sheltered by prohibitive tariffs, have obtained, than by foreign competition, to say nothing of the reprisals which these tariffs provoke.

CHAPTER IX

Movement of Exportation

From 1886 to 1901 the exportation has augmented in the following proportions:

Peru.....	170	o/o
Argentina.....	140	»
Brazil.....	90	»
Paraguay.....	60	»
Bolivia.....	58	»
Chile.....	25	»
Uruguay.....	18	»

As to Peru, the increase may be considered abnormal, inasmuch as it remained impoverished after the war and lost the saltpetre and guano, which in 1876 represented for it \$ 10,000,000. This loss is now compensated by minerals and sugar, which represent \$ 15,000,000, and Peru is now evidently in a state of economic reaction.

Farther on I shall demonstrate that all these countries, protectionists *à outrance*, might have augmentations of greater importance, if, instead of existing obfuscated, copying the proceedings of exhausted countries, they ceased to contend against the importation of foreign merchandise

and concentrated all their efforts in improving and augmenting the exportation of their natural products. These require, as a primordial condition, the cheapening of the means of existence, and this is not secured by imposing upon articles of food and upon those which are needed for lodging and clothing duties as high as 300 %_o, as I shall shew hereafter.

CHAPTER X

Import Duties

In 1901 there was received for import duties by:

	Thousands
Brazil.....	\$ 43,585
Argentina.....	» 28,576
Chile.....	» 10,487
Uruguay.....	» 8,229
Peru.....	» 4,016
Bolivia.....	» 2,072
Paraguay.....	» 1,100

Representing on the value of the imported articles, in:

Brazil.....	60	%
Uruguay.....	35	»
Peru.....	29	»
Argentina.....	25	»
Chile.....	23	»
Bolivia.....	12	»

The fact that Argentina, for instance, collects 25 %, on the average, on what she imports does not mean that her import duties are moderate; on the contrary, they are ill-distributed. Some ar-

ticles do not pay any duty, others, such as wire and machinery, raw cotton, unworked iron, tin, spun wool, natural paper for matches, precious stones, watches, rabbit skins, zinc and various raw materials pay 5 % and the duties keep rising until they reach 50 % for manufactured articles. But this 50 %, by virtue of the tariff-values of the Custom House, the specific duties and of the grouping of articles into categories becomes converted into 70, 80, 100, 180 and even 300 % on ordinary woven goods which are those that are consumed by the poorer classes.

More than ten years ago I wrote a book on finance, in which I shewed that the Argentine Constitution prescribed that the customs duties ought to be charged on the value of the article and not on its weight or measure as is directed by the law and the Custom-House tariffs. I consider, also, that this is made incumbent by the most ordinary precepts of equity and justice in Republican countries. But I was not listened to; my plan was too simple; it imposed a uniform duty of 20 % on imported merchandise, surcharged no one and exempted no one from the impost. My system would have given a large revenue to the State, smuggling would have been lessened, honest commerce would have suffered less, the poor would not have had to submit to such great sacrifices

in order to provide for their necessities and the public functionaries might have spared themselves the trouble of ordering investigations to ascertain the cause of the re-emigration of the immigrants.

CHAPTER XI

Export Duties

In 1901, the following were the export duties received by the undermentioned countries:

	Thousands
Chile.....	\$ 16,680
Argentina.....	» 3,097
Uruguay.....	» 1,377
Peru.....	» 3
Bolivia.....	» 812

No particulars are forthcoming from Brazil, because the duties belong to the respective States. The export duties in the countries where the governments are protectors ought to disappear entirely.

The percentage of duties on the value of the exported merchandise was in:

Chile.....	26.00	%
Uruguay	4.90	»
Bolivia.....	4.90	»
Argentina.....	2.50	»

In Chile the export duties are derived exclusively from saltpetre.

In Argentina 4 % is charged on cow-horns, hair, hides in general, tallow, bone-ash, claws, hoofs and bones, and 5 % on old iron, care being taken to increase its official value considerably. For the sugar exported a bounty of 16 cents paper per kilo is granted on what has already paid a tax of six cents. These bounties ought to have ceased in September last and the Government would do well to suppress the internal tax, in respect of the sugar that is exported. It is an anomaly to protect an industry in order to persecute it afterwards with a tax.

CHAPTER XII

Cost of Collection

The cost of the collection of import and export duties was as follows:

Brazil (import duties).....	\$	2,937,000
Argentina	»	1,540,000
Chile.....	»	790,000
Uruguay.....	»	618,000
Peru	»	229,000
Bolivia.....	»	202,000

Representing, more or less, on the amount collected:

Brazil	7	%
Bolivia	7	»
Uruguay.....	6	»
Argentina	5	»
Peru.....	5	»
Chile	3	»

In reality, having regard to the complicated measures of vigilance for preventing smuggling in importation, in consequence of the extensive coasts and of the sparse population of these countries, vigilance rendered the more necessary by

the high duties in force in all of them, which incite to the defrauding of the Revenue, it cannot be said that the expenses of collection are very high: Chile spends very little, 3 %; Argentina and Peru 5 %, Brazil spends most, since, for importation alone, the cost is 7 %.

CHAPTER XIII

Revenues

In 1902 the general revenues were:

	Thousands
Brazil.....	\$ 88,100
Argentina.....	» 70,700
Chile.....	» 37,000
Uruguay.....	» 16,600
Peru.....	» 7,700
Bolivia.....	» 4,400
Paraguay.....	» 1,350
	<hr/> \$ 225,850 <hr/>

Australia and New Zealand had in 1901 a revenue of \$ 175,000,000; that is to say, as much as Brazil, Argentina and Uruguay together. It is not strange, then, that all these countries are always in want of money and that in all of them deficits occur of greater or less importance.

These revenues represent per inhabitant in:

Uruguay.....	\$ 16.60
Argentina.....	» 14.72
Chile.....	» 12 33
Brazil.....	» 5.18
Peru.....	» 2.56
Bolivia.....	» 2.44
Paraguay.....	» 2.08

In other countries the following are the proportions :

United States.....	\$	9.10
Australia and New Zealand.....	»	33.65
United Kingdom.....	»	30.
France.....	»	19.
Italy.....	»	11.40
Germany.....	»	10.30

As is seen, then, the revenues are not in absolute proportion either to the wealth or the density of the population, or to the period of existence of the respective countries. These differences are attributable to complex causes, the principal one being the high Customs duties which conspire against the principal sources of revenue possessed by all these countries. It is an elementary truth, and it is unnecessary to waste time in demonstrating it, that when the tariff valuation or the duty imposed upon articles of the first necessity is reduced the consumption of them is augmented and the revenue increases. I must remark, by the way, that the greatest disproportion is observable where the system of assessment and collection of duties is the most defective.

CHAPTER XIV

Internal and Foreign Debts

In 1901, the figures of the public debts of these countries were as follows:

		Thousands
Argentina.....	\$	493,000
Brazil.....	»	300,000
Peru.....	»	183,000
Uruguay.....	»	123,900
Chile.....	»	112,300
Paraguay (excluding the debts to Brazil and Ar- gentina).....	»	18,400
Bolivia.....	»	6,100
	\$	<u>1,236,700</u>

It is unnecessary to separate the internal from the foreign debts, because all may be reputed foreign, since it is always foreign capital which is invested in those securities. Argentina is the only country which has begun to have its foreign bonds quoted on the Buenos Aires Stock Exchange, but up to the present time the operations in them have been very limited.

These debts represent per inhabitant the following sums, more or less, in:

Uruguay.....	\$	124
Argentina.....	»	100
Peru.....	»	100
Chile.....	»	36
Paraguay.....	»	26
Brazil.....	»	18
Bolivia.....	»	4

Proportions to the exportation of 1901:

Peru.....	1160	°/o
Paraguay	730	»
Uruguay	440	»
Argentina	209	»
Brazil.....	208	»
Chile.....	176	»
Bolivia....	37	»

In other countries the debts represent per inhabitant in:

United States.....	\$	13
Australia and New Zealand.....	»	230
France.....	»	158
United Kingdom.....	»	88
Italy.....	»	80
Germany.....	»	12

Proportions to the exportation of the respective countries:

United States.....	66	°/o
Australia and New Zealand....	282	»
France.....	730	»
United Kingdom.....	220	»
Italy.....	900	»
Germany.....	60	»

The United States, which, after the war of Secession, owed \$ 100 per inhabitant, have now reduced that proportion to \$ 13, partly through the increased wealth of the nation which has enabled it to pay off more than two-thirds of the public debt, and partly through the considerable augmentation of the population, which since that time has reached 140 %.

A similar thing will occur in a short time in many of the South American countries and especially in Argentina, which has expended more than half of the money borrowed in reproductive works, such as railways and the guaranteed interest paid to them, sanitary works in the Capital and in many cities of the interior, telegraphs, roads, bridges, the navigation to the South, &c.

It may have been observed that Argentina owes per inhabitant only one-half of the proportion owed by Australia and New Zealand, although it is true that the latter countries have expended on railways alone a sum of \$ 700,000,000, which represents 57 % of their public debt.

Comparing the debt with the wealth of Argentina, which is measured by its exportation, it will be seen that the proportion is 290 %, about the same as that of Australia and New Zealand, but which is exceeded by Peru with 1160 %, Paraguay with 730 %, Uruguay with 440 %, and,

in Europe, by Italy with 900 % and France with 730 %.

All this, well studied and considered, appears to demonstrate that we have been a little calumniated, or that, at any rate, there has been considerable exaggeration, when comments have been made upon the heavy debts that weigh upon these countries and the frequency with which they have had recourse to loans.

CHAPTER XV

Service of the debts in 1902

The sums which the respective budgets apply to the service of interest and amortization of the public debts appear therein as follows:

	Thousands
Argentina.....	\$ 29,200
Brazil.....	» 22,000
Chile.....	» 7,600
Uruguay.....	» 7,200
Peru.....	» 2,600
Bolivia.....	» 410

These sums represent the following proportions of the general revenue in:

Uruguay.....	43	%
Argentina.....	41	»
Peru.....	34	»
Brazil.....	25	»
Chile.....	20	»
Bolivia.....	9	»

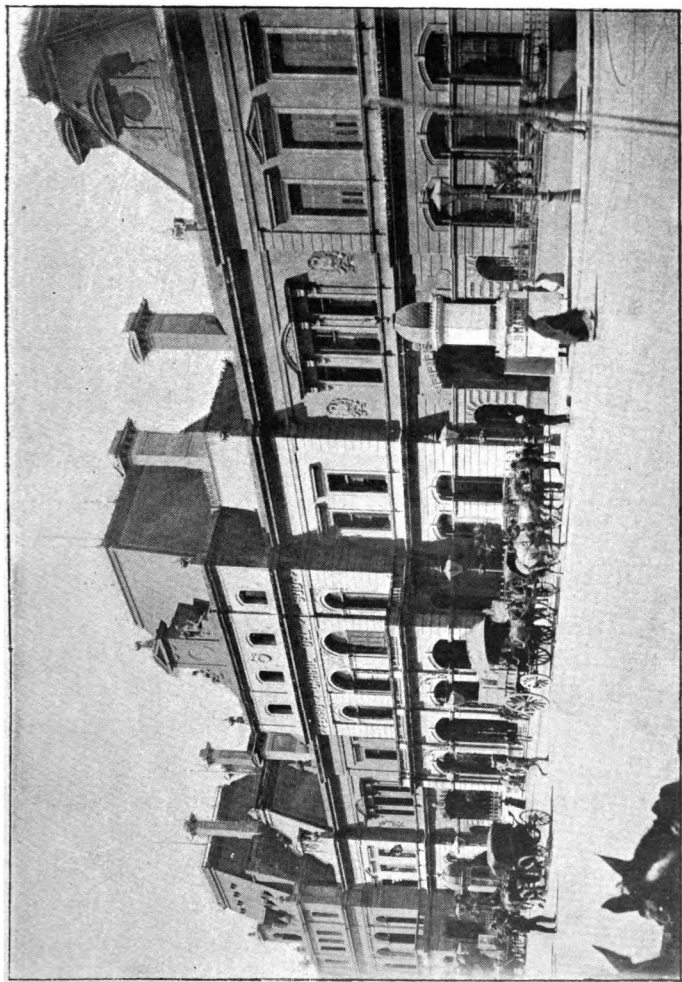
Argentina pays more for the service of her debts than the United States, the amount expended by the latter being only \$ 27,000,000 a year.

The proportion to the revenue, there and in some other countries, represents:

United States.....	5	%
Italy.....	36	»
France.....	32	»
United Kingdom.....	20	»
Germany.....	4	»

Therefore, it is seen that both new and old countries, such as the United States and Germany, may succeed in having to apply only a very small part of their revenue to the service of their debts, and if these nations, whose economic action is so prominent in the world, are not obliged, by reason of their aspiration to territorial expansions, to alter their financial situation by increasing their debts, they may serve as a good example to the other nations.

Though Argentina and Brazil found themselves obliged to make temporary arrangements, for the service of their debts, which benefited the holders of their bonds, their credit is now firmly established and their foreign loans are regarded as secure sources of permanent income. Argentina, since the not far-off period when her 6 per cent bonds were quoted at 60 %, has been constantly improving her credit, and, notwithstanding the larger amount of her debt, it is very nearly on a level with that of Brazil and Chile, for, though they are at present a little ahead of her in this respect, her 6% bonds are now quoted above par, as will be seen by the following table:



BUENOS AIRES — Constitution Station—Great Southern Railway

QUOTATIONS OF BONDS IN LONDON

April 18 th., 1903.

Brazil	4 $\frac{1}{2}$	o/o	82	to	85 $\frac{1}{2}$	o/o
»	4	»	76	»	77	»
»	5	»	100	»	101	»
Chile	4 $\frac{1}{2}$	»	83	»	94	»
»	5	»	91	»	93	»
Argentina	6	»	100 $\frac{1}{2}$	»	101 $\frac{1}{2}$	»
»	5	»	90	»	99 $\frac{1}{2}$	»
»	4	»	72	»	73	»

December 22nd., 1903

Argentina	6	o/o	102 $\frac{3}{8}$	o/o
»	5	»	99 $\frac{1}{2}$	»
»	4	»	77 $\frac{1}{2}$	»

Buenos Aires Exchange

Argentine internal 6 o/o 100.20 o/o

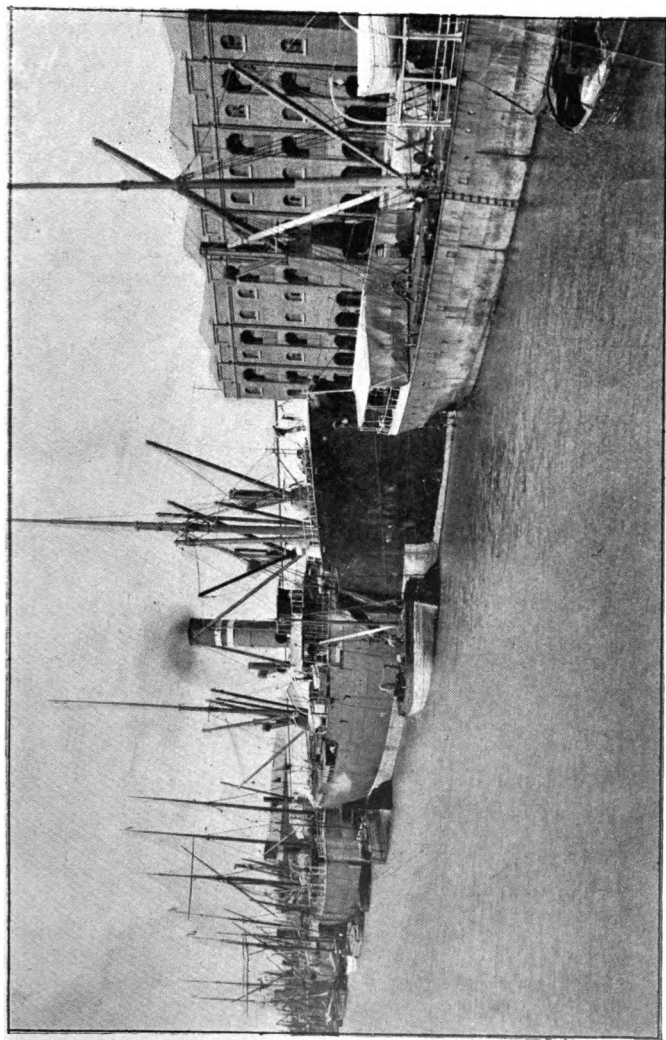
The orderly system which now prevails in Argentine finances, the economy in expenses and the punctuality with which the services of the loans are made, together with the prosperous condition of the country, which facilitates the augmentation of the revenue, will very soon raise Argentine credit to a level with that of the most solvent nations.

When I was in London ten years ago, the Argentine bonds being then quoted at 60 o/o, a large holder of them asked me what he should do with them; « keep them and buy more » was my

reply. I do not know whether he did so but today they are at a premium.

The truth is that there is now no justification for Argentine 4 per cent bonds being sold at $77\frac{1}{2}\%$, when Australia, for instance, can place 3 per cent loans at 93 %. Those who have faith in the former will realise great profits.

One of the reasons which keeps down the value of Argentine bonds in gold is the propensity to issue internal bonds in paper. This has just been done by the Municipality of the City of Buenos Aires, by contracting at 80 % a 6 per cent loan on mortgage of the Colon theatre, when a 5 per cent loan in gold might have been placed at 90 %; at present the bonds are quoted at 92 %. The National Government is doing the same for the Palace of Justice. It is preferred that the loan-mongers should run the risk of the possible depreciation of paper-money, which the Government has power to prevent, and so they make it pay them for the contingency.



BUENOS AIRES — PORT — Dock N.º 2

CHAPTER XVI

Inconvertible Paper Money

The times have passed when savings and commercial operations in general were in constant danger owing to the issues of inconvertible paper money which the Governments, for want of more regular resources, thrust on the public to meet their most pressing necessities. Now, in this part of South America excluding the small State of Paraguay, whose note-issue is relatively small, paper money has been gradually rising in value, as well through the reduction of the amount in circulation as through the increase of wealth and the improved management of the finances.

The circulation, reducing its value to gold, represented in 1900 in :

		Thousands.
Argentina.....	(227.27 %)	\$ 127,600
Brazil	(225 %)	» 170,344
Chile	(260 %)	» 19,500
Paraguay.....	(840 %)	» 1,430
		<hr/>
		\$ 318,874

Equivalent per inhabitant in gold :

Argentina.....	\$ 26
Brazil.....	» 10
Chile.....	» 6
Paraguay.....	» 2

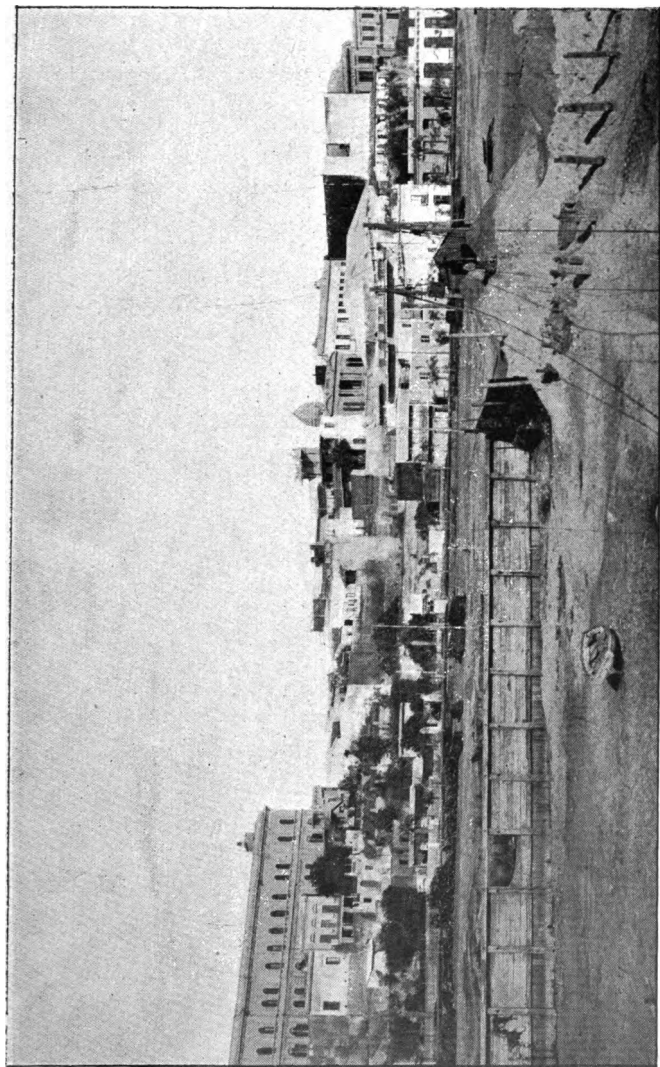
Bolivia has an issue in silver of bank-notes for \$ 7,335,000 "bolivianos", which are at a discount of 65 % and a "boliviano" is equal to 37 $\frac{1}{2}$ cents gold.

Uruguay, which passed through a short period of inconvertible paper-money, suppressed it and now enjoys the benefits of a gold currency. Its dollar is worth 7 % more than the Argentine dollar.

The Conversion Law in Argentina has succeeded in giving definite stability to the paper-money; that is to say, it prevents it from becoming worth more than 44 cents gold per paper dollar; without this restriction, it is almost certain that it would have obtained 66 cents in the market. At the present time the Conversion Office holds \$ 35,000,000 gold for which it has given \$ 78,600,000 paper.

The circulation is therefore \$ 372,000,000 paper, or \$ 77 paper per inhabitant.

The note-issue, without any metallic guarantee, is \$ 294,000,000, but for a nation like Argentina which still possesses, besides other proper-



ARGENTINA — ROSARIO

ties, 100,000,000 hectares of public lands for disposal, this is in nowise a heavy burden. Besides, if the Government were to make a new emission in order to withdraw the existing paper-money, it is almost certain that it would be found that at least 15 % of the latter had disappeared from circulation. The import duties were increased by 5 % in order to form a sinking fund but when this had arrived at \$ 18,000,000 gold it was used for buying ships and armaments. Chile, also, contracted a loan for application to the conversion of her paper-money, at the rate of 18 pence per dollar, but this fund shared the same fate as the Argentine.

Brazil has adopted a more rational and less expensive measure, by withdrawing annually from the revenue collected a certain amount of paper-money, which is destroyed.

CHAPTER XVII

Banks

I will not make any analysis of the banking system of these countries, which, after having experienced various vicissitudes, is now, in most of them, limited to Banks of Deposit, which effect discounts at short dates. Everywhere the necessity is felt of agricultural and industrial Banks for granting loans at long dates and repayable by small periodical instalments. The ordinary interest charged by the banks oscillates between 7 and 8 %, and the Mortgage Banks charge 9 %; the Governments also endeavour to encourage artificial industries, to enable them to compete with European and North American industries which pay only 5 % at the most. It would be more prudent to seek the means of reducing those high rates of interest for the classes that work, think and produce.

The data which I have been able to obtain respecting the Banks are very incomplete, although I limited my enquiries to the amount of the deposits accumulated by the respective countries,

so as to be able to judge of their riches and of their economic power.

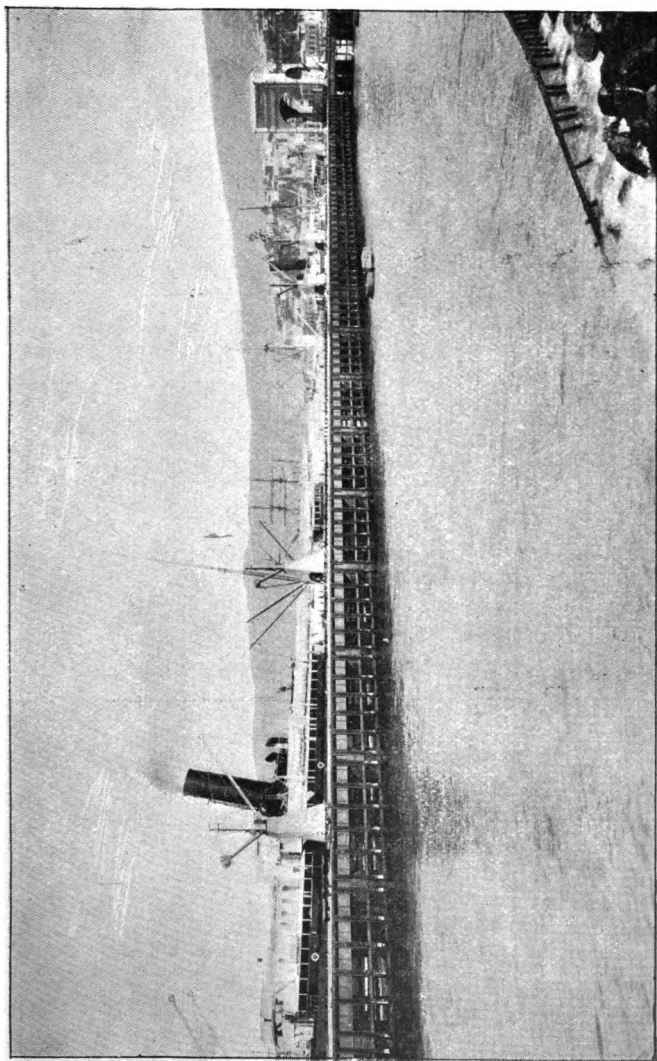
In Argentina there are 13 principal Banks of discount which have an aggregate paid-up capital equivalent to \$ 50,000,000, including the Bank of the Argentine Nation whose capital is equivalent to \$ 22,000,000. The reserve funds of all these banks are equivalent, in the aggregate, to \$ 14,000,000.

The National Mortgage Bank has cedulas in circulation equivalent to \$ 55,000,000 ; those in gold bear 5 % interest and those in paper 7 %; there are nine series; those in paper from A. to G. are at par and those of H. at $101\frac{1}{2}$ %. A new issue of cedulas, bearing 6 %, will come out.

There are three foreign Mortgage Companies : The Trust Loan, divided into three companies, with a capital of \$ 21,875,000, the New Zealand and River Plate with \$ 5,600,000 and the Belgium South-American Pastoral with \$ 3,000,000.

All these companies pay large dividends, which is a proof as well of their good management as of the expansion and safety of credit in this country.

Respecting the deposits, as I have already mentioned, the information which I have been able to obtain is somewhat deficient and it is difficult to give particulars, except approximately, because few of the Banks publish their balance-sheets.



VALPARAISO — Wharf

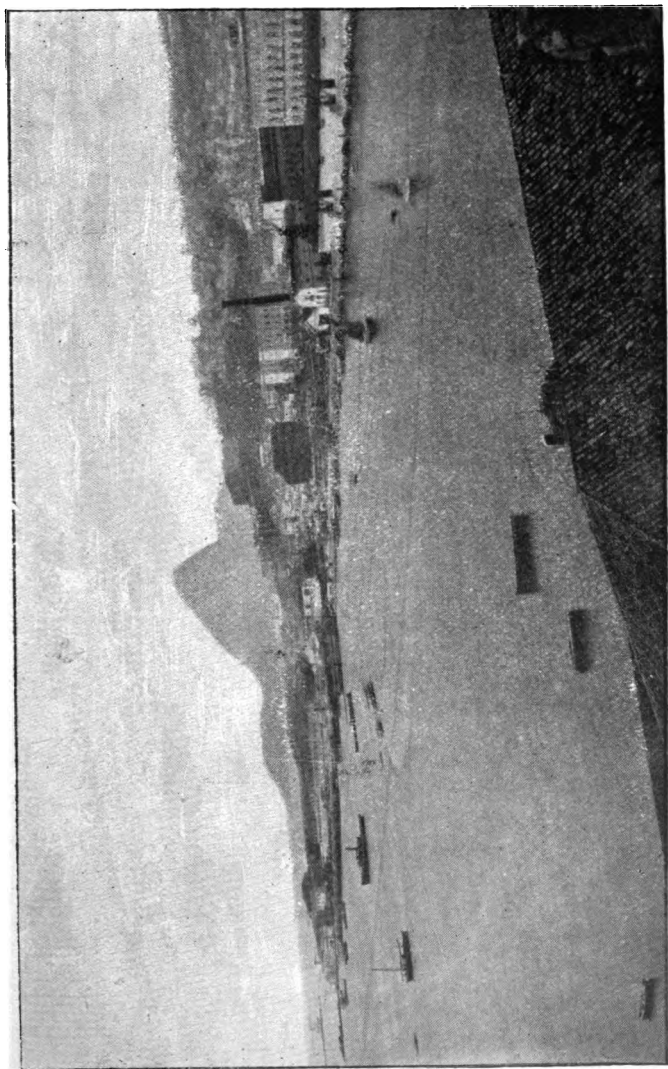
We know, however, the amount of paper money which the respective countries have in circulation, and it may be calculated that one half is in the Banks ; thus we may get at the following figures :

		<u>Thousands.</u>
Argentina, equivalent of paper-		
money.....	\$ 66,000	
Gold coin (1)	> 70,000	\$ 136,000
Brazil (Rio and San Paulo).....	>	34,000
Chile.....	>	26,500
Uruguay.....	>	25,000
Perú.....	>	22,200
Bolivia.....	>	2,300
		<u>\$ 246,000</u>

Therefore, it is seen that Argentina has a larger amount of deposits than Rio, San Paulo, Chile, Uruguay, Peru and Bolivia together.

At the present time, the abundance of money has reduced the interest to $4\frac{1}{2}$ to $5\frac{1}{2}$ % in private banks.

(1) Including \$ 35,000,000 of the Conversion office.



RIO JANEIRO — View from the port

CHAPTER XVIII

Army and Navy

The expenditure on these two branches of the public Administration is relatively large in these countries, which disbursed in ordinary expenses in 1902 :

	Thousands.
Argentina.....	\$ 12,770
Brazil.....	» 10,850
Chile.....	» 9,220
Peru..	» 1,925
Uruguay (army)	» 1,750
Bolivia (army)	» 1,121
Paraguay	» 77
	<u>\$ 37,713</u>

We have already seen that the expenses of Public Education and Justice did not exceed \$ 23,060,000, so that the military expenses exceeded them by \$ 14,700,000—that is to say, by more than 60 %, apart from the extraordinary expenses, which do not figure in the budgets.

The proportion of Argentina is the least exaggerated, the difference being not more than 20 %, while in Chile it is 40 %, in Peru 150 % and in

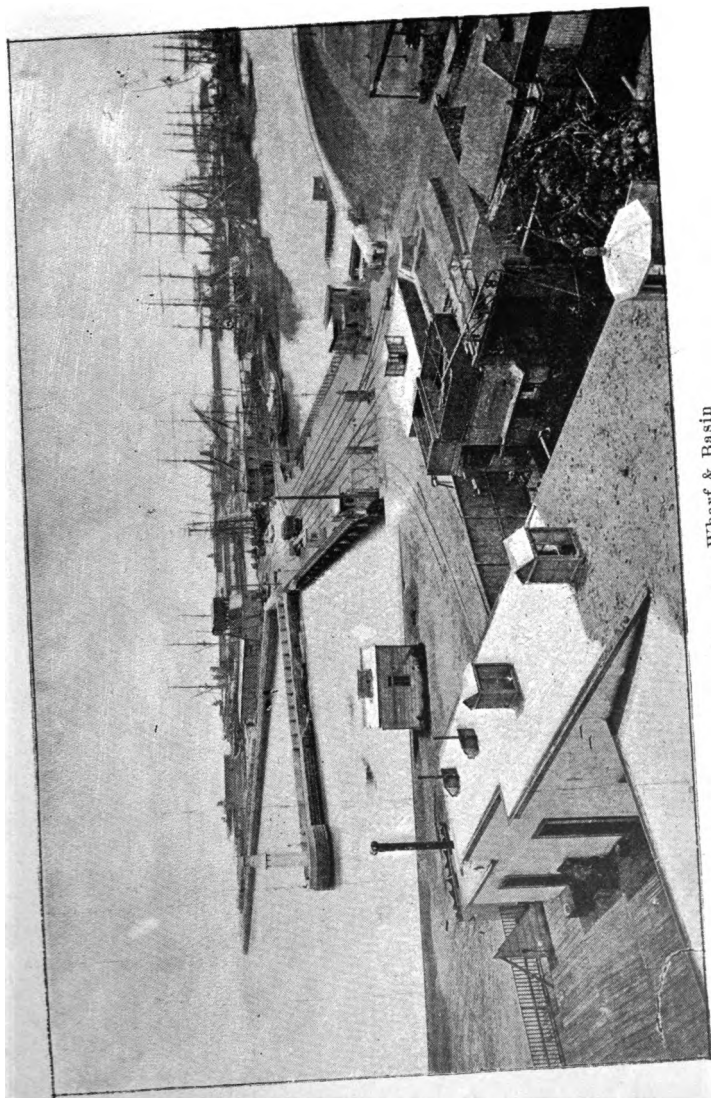
Bolivia 110 %/. For Brazil the exact calculation cannot be made, but if the States spent as much on education and justice as the Nation the difference would be at least 100 %/. On the other hand, Uruguay is the only country that spends on education and justice more than on war, the difference being 34 %/, but this does not mean that it excels its neighbours either in internal order or in the correctness of its judicial proceedings, as recent occurrences have demonstrated.

The only countries that can be considered as being militarily organized are Argentina and Chile, though Peru is making efforts to place itself in better conditions in this respect, for which purpose French officers have been engaged as instructors.

The following table gives an approximate idea of the strength of the regular army in each country :

REGULAR ARMY

	Infantry	Cavalry	Artillery	Engineers	Gendarmes	TOTAL
	BAT.	REG.	REG.	BAT.	MFN	MEN
Argentina.....	18	12	8	4		21,000
Chile	R. 10	8	8	5		17,500
Brazil	40	14	10	2	20,000	28,200
Peru	5	2	2		3,000	4,000
Uruguay	4	5	2		3,200	3,500
Paraguay.....	1	1	1			1,580
Bolivia.....	2	2	2			2,970
	80	44	33	11	26,200	78,750



CALLAO -- Wharf & Basin

In Argentina the Provincial Governments and the Police Department of the Capital have at their disposition about 12,000 militarized gendarmes, most of whom have served as soldiers of the line.

As reserve forces with military training they have:

	Men
Argentina... ..	120,000
Chile	150,000

with Krupp guns and Mauser rifles sufficient for arming them.

Altogether they have enrolled:

	Men
Argentina.....	500,000
Chile	400,000

The other countries have not published exact details of their military forces.

Argentina and Chile have established compulsory service for 6 and 4 months respectively and for two years, the conscripts being drawn by ballot. Peru has compulsory service for three years and Bolivia for two. The other countries, in times of peace, obtain their soldiers by voluntary enlistment.

The South-American soldier is strong and sober and easily acquires proficiency in the use of arms, especially the inhabitants of the temperate climes and those of the mountainous regions. The Argentine, from the conditions of his life in the country, is in a short time converted into a good cavalry soldier, and, in general, rapidly becomes a skilful marksman, his sight having been exercised in the judging of distances.

Argentina has made the most progress in establishing rifle-shooting grounds, of which more than 200 are already in use and others are frequently being formed. The schools for rifle-practice are upon the European system and constitute the most efficacious part of Argentine military education. As regards rifle-grounds, however, Argentina is much behind Switzerland, which has 3000 rifle associations with 120,000 members, and that country possesses, consequently, the most effective elements for the defence of its territory, since every individual able to carry a rifle is a marksman. The Anglo-Boer war proved how difficult it is to conquer a people, small as it may be, when it is familiarized with the use of arms.

The other schools, as well those of cadets, corporals and sergeants, as the superior schools of war, are on a very advanced footing in both Chile and Argentina, whose arsenals are also provided

with armaments showing the latest improvements.

As for the naval department, only Argentina, Chile and Brazil have organized forces worthy of mention; their progress has been notable, as well in the quality of the ships as in their personnel and training. Their schools, arsenals and careening docks are on the best footing, and, before long, their fleets will be able to compete with the best in the world as regards instruction and practice in naval matters.

Argentina and Chile have established compulsory service for two years, having preferred to imitate in this respect the nations of the European continent rather than to follow the example of Great Britain and the United States, which reject that system as anti-democratic and have succeeded in manning with volunteers the most powerful and respected navies in the world. Naturally, this has only been done by selecting the personnel carefully and paying it well.

The Argentine, Chilean and Brazilian navies are represented by the following forces respectively:

	SHIPS	TONNAGE	HORSE- POWER	GUNS	TORPE- DO TUBES	SAILORS
Argentina.....	48	87,731	154,210	406	85	6,000
Chile	31	41,770	142,150	324	67	4,200
Brazil.....	49	46,897	82,140	421	66	8,000
	128	176,398	378,500	1,151	218	19,000

The Argentine and Chilian ships are, in general, of modern construction; not so those of Brazil.

The ships which were recently constructed for Chile in England and for Argentina in Italy will not be incorporated into their respective navies. The arbitration Treaty stipulates that they shall be sold, and it is probable that if the two nations act with prudence, and with due regard to their respective financial strength, the stipulation will be fulfilled, even if at some loss, for this would soon be made good by the saving effected from not having to maintain those costly ships.

The military expenses of the said countries are in the following respective proportions to their revenues and inhabitants:

	Proportion to Revenue		Per Inhabitant
Chile.....	25	%	\$ 1.75
Peru	25	»	» 0.65
Bolivia.....	25	»	» 0.62
Argentina.....	19	»	» 2.60
Brazil.....	16	»	» 0.60
Uruguay.....	10	»	» 1.75
Paraguay.....	5	»	» 0.12

In other countries:

United States.....	20	%	\$ 1.40
United Kingdom.....	49	»	

Germany	28	%	\$ 2.80
France.....	26	>	> 5.00
Switzerland.....	26	>	> 1.60
Italy.....	21	>	> 2.43

As is seen, Chile, Peru and Bolivia are those whose military expenses are in the highest proportion, 25 %_o, to revenue ; Argentina, Brazil, Uruguay and Paraguay spend proportionately less than the United States and the principal countries of Europe. Even little Switzerland spends on its army 26 %_o of its revenue. All this proves that the military expenses of the South-American States are not so excessive as is generally believed.

As to the United Kingdom, which shows the largest proportion of military expenses in relation to revenue, the calculation per inhabitant cannot be made, for if only the 42 millions of inhabitants of Great Britain and Ireland were taken into account the proportion would be \$ 14, but if it be considered that the expenditure benefits the 398 millions of inhabitants of all its dominions the proportion would not exceed \$ 1.50.

CHAPTER XVIII

Cereals

The only South-American country that produces cereals for exportation is Argentina. Thirty years ago she imported them from the United States, from Chile and even from Turkey, but in 1902 the value of the quantity exported was \$ 65,000,000 and in the first quarter of this year it reached \$ 27,500,000, and according to all calculations it will exceed \$ 100,000,000 by the end of the year.

The grain-elevators, which are already beginning to work, and the mills which perfect the elaboration of flour permit the expectation that the quality of this article will be improved, from being more completely cleared of impurities and because the grain will reach the markets drier and in better condition generally; besides, the expense of bags will be saved.

The principal producing countries exported cereals of the following values in 1901:

	Thousands
United States	\$ 275,000
Russia.....	> 145,000
Argentina.....	> 45,000
Turkey and Egypt.....	> 20,500
Canada.....	> 18,700
Australia and New Zealand...	> 14,000
	<u>\$ 518,200</u>

The countries which imported grain to the largest amounts in 1901 were:

	Thousands
Great Britain.....	\$ 300,000
Germany	> 165,000
France.....	> 60,000
Italy.....	> 49,000
Belgium.	> 22,000
Spain	> 10,000
	<u>\$ 606,500</u>

As is seen, then, Argentina, with the prospect of the harvest of 1903, which has permitted exportation in the first three months to the amount of \$ 27,000,000, may easily reach the grain-exportation of Russia, especially having regard to the fact that the exportation from that country has not increased during the last ten years, while the value of Argentine exports has risen from pesos 8,000,000 to \$ 65,000,000 in the same space of time. Nor has the exportation of the United States

increased in so important a proportion, since it has only risen from 165 to 275 millions.

Of flour, Argentina exports only to the amount of \$ 2,000,000 to \$ 2,500,000, though its value exceeds that of wheat by 30 %, and this is one of the articles of which the exportation will certainly be greatly developed in a short time. With cheap flour and sugar, it is difficult to understand why we have not a dozen firms like Huntley and Palmer, who export biscuits for the whole world.

The consumption of wheat in the principal countries of Europe, America and Australia is represented in the following proportions per inhabitant:

Australia	220 kilos
France.....	216 »
Spain.....	200 »
Canada	200 »
England.....	193 »
United States.....	183 »
Germany.....	188 »
Austria-Hungary	183 »
Argentina	172 »
Italy.....	138 »

Although complete confidence cannot be placed in these statistical data, it is seen that Argentina, which exports wheat in such large quantities, does not consume it in the same proportion and that only Italy consumes less. This

is explained by the nature of the food of the country-people, who prefer meat, in the consumption of which Argentina surpasses every other nation in the world.

Of the \$ 68,000,000 gold, the value of the cereals and hay exported by Argentina, there belong to :

	<u>Thousands</u>
Maize	\$ 23,000
Wheat	» 18,500
Linseed	» 17,500
Flour	» 1,600
Hay	» 1,000

The exportation of cotton has been commenced, and promises to increase considerably, as it has been proved that the lands in the Chaco and Misiones are of the best quality for the cultivation of cotton. Important contracts have been made to deliver, next year, large quantities of this product.

The development of cotton-planting in Argentina will be a surprise; it has been proved that, in the climates suitable for the growing of this plant, every hectare produces, on the average, 1036 kilos against 620 in the United States.

Fresh fruit does not figure for more than \$ 21,100, while the United States export to the

amount of \$ 11,000,000, Canada \$ 2,500,000 and Australia \$ 1,000,000. A country like Argentina, which possesses all climates and which produces the best grapes and peaches in the world, and also apples, pears, plums and oranges, might export these fruits and will do so in large quantities when the frigorific chambers in steamers are more general and the voyages to Europe and the United States are shortened. There are 500 millions of inhabitants of the northern hemisphere who may be consumers of the fruit of the southern hemisphere when it is cultivated here with more care, gathered in better condition and transported more rapidly.

Argentina can, also, give a much greater development to various other agricultural products which are already exported, such as bird-seed, peas, barley, rye, pea-nuts, honey, beans, macaroni, biscuits, bran, flax-fibre, wheat-offals, &c.

Argentina, with nearly 250,000,000 acres of land suitable for agriculture, has not even 10 % under cultivation.

It has been calculated that in 1902-1903 the area of land cultivated was 8,410,000 hectares, or, according to English measure, 20,782,000 acres, distributed as follows :

Wheat.	9,066,900	acres
Linseed.	3,222,000	>
Maize.	3,706,700	>
Other grain.	247,100	>
Alfalfa.	3,261,900	>
Pea-nut.	59,600	>
Sugar-cane.	113,700	>
Vineyards.	108,700	>
Tobacco.	31,400	>
Other cultivations.	964,000	>
	<u>20,782,000</u>	<u>acres</u>

CHAPTER XIX

Sugar

Sugar is one of the most agreeable alimentary substances for all people in the world, containing abundant nutritive matter and being a powerful force-restorer, as has been proved in the German army. That which is extracted from beet-root and sugar-cane dominates the market everywhere and Ministers sweeten their financial troubles by employing it as a source of taxation for the public revenue.

The principal sugar-exporting countries in 1900 were :

	<u>Thousands</u>
Germany... ..	\$ 50,700
Austria-Hungary.....	» 44,100
France	» 33,200
Cuba.....	» 30,800
East Indies.....	» 30,000
Holland.....	» 22,000
Russia	» 20,000
Australia.....	» 5,300
Porto-Rico	» 5,300
Brazil.....	» 5,200
Peru	» 5,100
Argentina.....	» 4,000

I have made this comparison in order to shew in what a small proportion we SouthAmericans contribute to the necessities of the world in this article, notwithstanding the protective duties and bounties.

The countries which imported the sugar were:

	<u>Thousands</u>
United Kingdom.....	\$ 100,400
United States.....	» 90,000
Japan.....	» 17,000
Canada.....	» 9,100
Holland.....	» 7,500
Chile	» 5,400

As is seen, the countries where the importation of sugar is of great importance are Great Britain and the United States, which, between them, consume it to the amount of nearly \$ 200,000,000 gold. Japan comes next with \$ 17,000,000.

Beet-root, which is cultivated in Germany, France, Russia, Austria, Belgium and other countries of Europe, produces 6,000,000 tons of sugar, and sugar-cane, which is cultivated in America, Australasia, the East Indies and in parts of Africa and Asia, in tropical climes, gives 3,400,000 tons. There are few soils which, if properly cultivated,

will not produce either one or the other kind of sugar, so that, in a very little time, every country, except Great Britain and the United States, will suffice for itself. In Brazil, according to the authoritative opinion of Dr. Quintino Bocayuba, the exportation of sugar may be considered to have been completely suppressed. Nor will Argentina be able, when the bounties cease at the end of this year, to continue to make a pretence of exporting it and to figure at the tail of all the other countries.

In order to protect this industry the price of sugar has been doubled and thus over-production has been so encouraged that most of the planters are ruined. Formerly, the protectionist tariffs led to an extensive development of the cultivation of sugar-cane, but recently the Government of Tucuman persecuted with taxes and withdrew the benefit of irrigation from those who planted on their own land more cane than would yield the quantity of sugar which the Government fixed as the limit of production. Fortunately, the Supreme Court has declared this law unconstitutional, out of respect to the right of property and to the Republican principles which prevail in this country.

It is possible to give an application to molasses in the fattening of animals, and this has already been tried with success. Besides, as I have previously suggested, if the biscuit-factories would

perfect their manufacture and if the Government would relieve from all imposts the sugar employed in the preparation of that article or in preserving fruit intended for exportation, an advantageous application might be found for the surplus production.

The bounty system has enabled England to obtain sugar for consumption at lower prices than have to be paid for it in the countries that produce it and it has also stimulated various industries in England that export articles in the manufacture of which sugar is needed.

Thus, the consumption there is 45 kilos per inhabitant and in the United States it is 32 kilos, while in Germany and France, both sugar-producing countries, it is only 15 kilos per inhabitant, and in Argentina 12 kilos, because the sugar is made dear by taxation.

The revenue obtained from sugar-duties is in

	Thousands
Great Britain.....	\$ 31,500
Germany.....	> 28,700
France.....	> 27,000
Austria-Hungary.....	> 24,000
Argentina.....	> 880

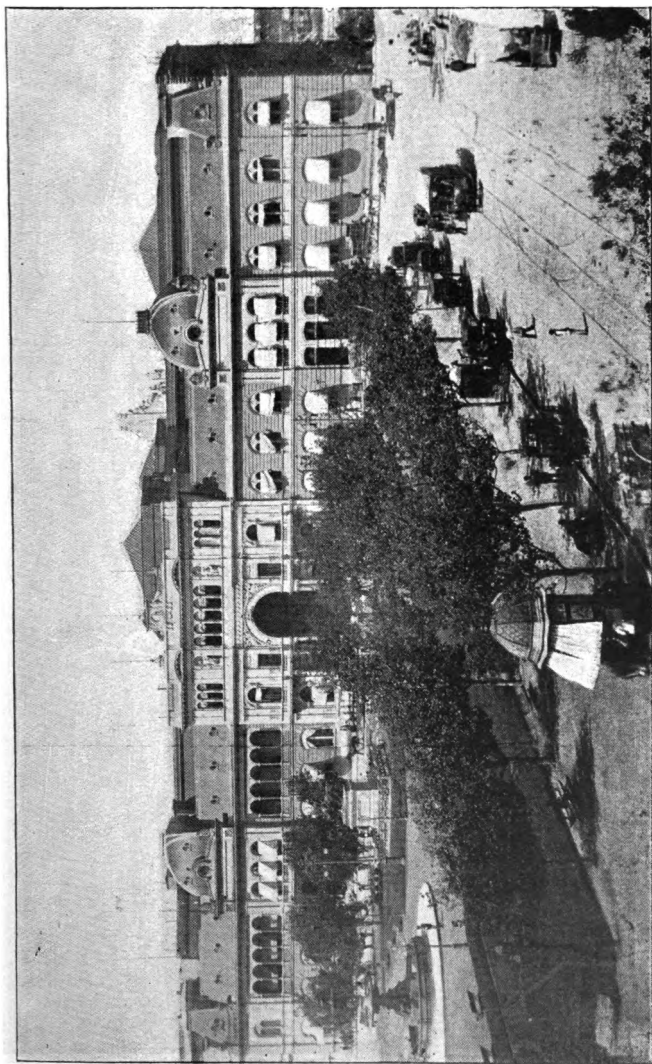
In Argentina the sum of \$ 3,350,000 was also received from the inland tax, but the bounties

absorbed \$ 2,558,000. The value of the foreign sugar imported is not more than \$ 16,700 so that the customs duties exceed the value.

As I have already stated, the bounty on exportation will have to be suppressed in the Argentine Republic. At present, of every 100 kilos made in the country, upon which a tax of \$ 6 has been paid, 25 kilos may be exported, in respect of which the State returns \$ 4, and in respect of 25 kilos more which may be exported without bounty a drawback is allowed of two cents per kilo, being the proportion of the tax which accrues to the Treasury, so that, the English can say that the foreign tax-payers assist in reducing the price of sugar for them.

The mills and refineries in Argentina represent a capital of \$ 26,000,000 and give employment to about 30,000 labourers in the planting, cutting and grinding of the cane.

In consequence of the excess of production, sugar is at the present time quoted in Tucuman at 10 cents per kilo, without the tax. This price may suffer alterations next year, because exportation will be stopped, to a great extent, if not altogether, but it is possible that a limit will be placed upon production.



BUENOS AIRES — Government House

CHAPTER XX

Cattle, Sheep, Pigs and Horses

The flesh of the ox, the sheep and the pig is the food preferred all over the world, and it has been proved that the peoples who consume it are the strongest and have the greatest power of endurance, provided that their consumption of it is not excessive.

Its scarcity, however, prevents the poor classes in Europe from obtaining it, because most of the countries have to import it. The same thing happens in many countries of America itself, among them being Brazil, Chile, Perú and Bolivia. The only countries which can satisfy their own requirements and yet export considerable quantities are the United States, Canada, Australia, Argentina and Uruguay.

The principal countries of Europe and Cuba import beef, mutton and pork of the following proportionate values :

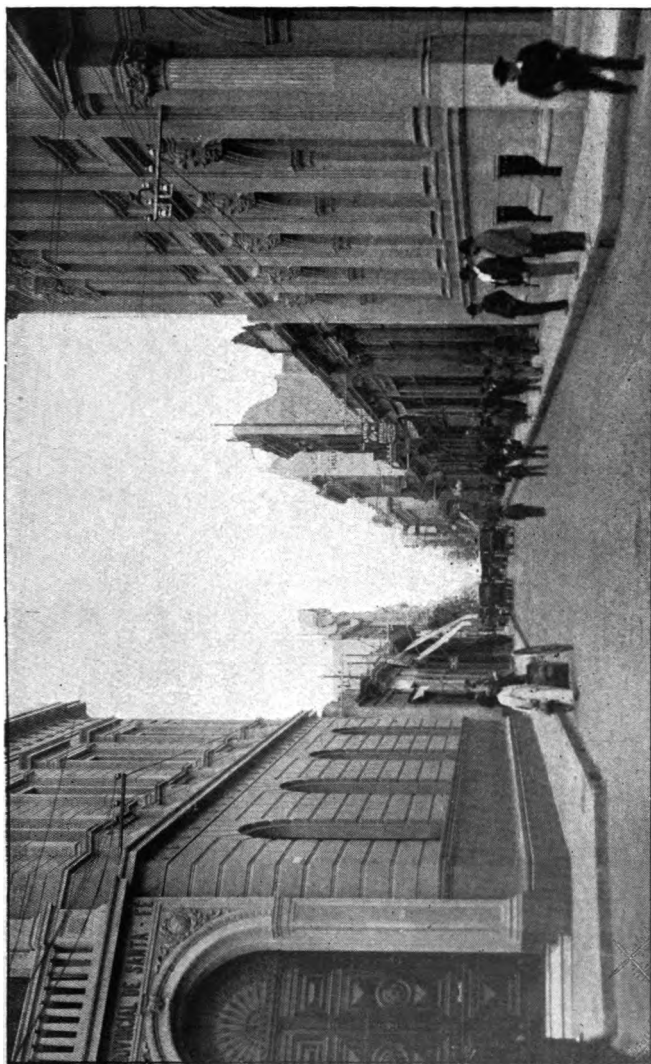
	<u>Thousands.</u>
Great Britain.....	\$ 258,000
Germany.....	> 44,000
Belgium	> 8,600
Cuba.....	> 7,300
Italy	> 6,800
Austria-Hungary	> 6,700
Spain	> 6,000
France.....	> 5,200
Portugal.....	> 1,600
	<u>\$ 344,200</u>

The consumption per inhabitant per annum is estimated as follows:

	<u>Kilogrammes.</u>
Great Britain	65
Germany.....	39
France.....	33
Spain.....	32
Austria-Hungary.....	28
Italy.....	15

The annual consumption in the United States is 69 ks. per inhabitant and in Australia and Canada 127 ks. In Argentina, it is, in consequence of the cheapness of meat, 157 kilogrammes.

The countries adjoining Argentina import to the following respective amounts:



ARGENTINA- ROSARIO — San Martin Street

Brazil.....	\$ 6,378,000
Chile.....	» 800,000
Uruguay.....	» 680,000

Of the meat imported into Brazil, Argentina supplies to the amount of \$ 2,270,000 and Uruguay \$ 4,093,000. What Chile and Uruguay import proceeds from Argentina.

The live stock is represented, approximately, by the following proportions in thousands:

	<u>Horses.</u>	<u>Cattle.</u>	<u>Sheep.</u>	<u>Pigs.</u>
Argentina	5,000	28,000	110,000	800
Uruguay	363	4,800	15,500	4
Brazil	400	5,000	—	—
	<u>5,763</u>	<u>37,800</u>	<u>125,500</u>	<u>804</u>

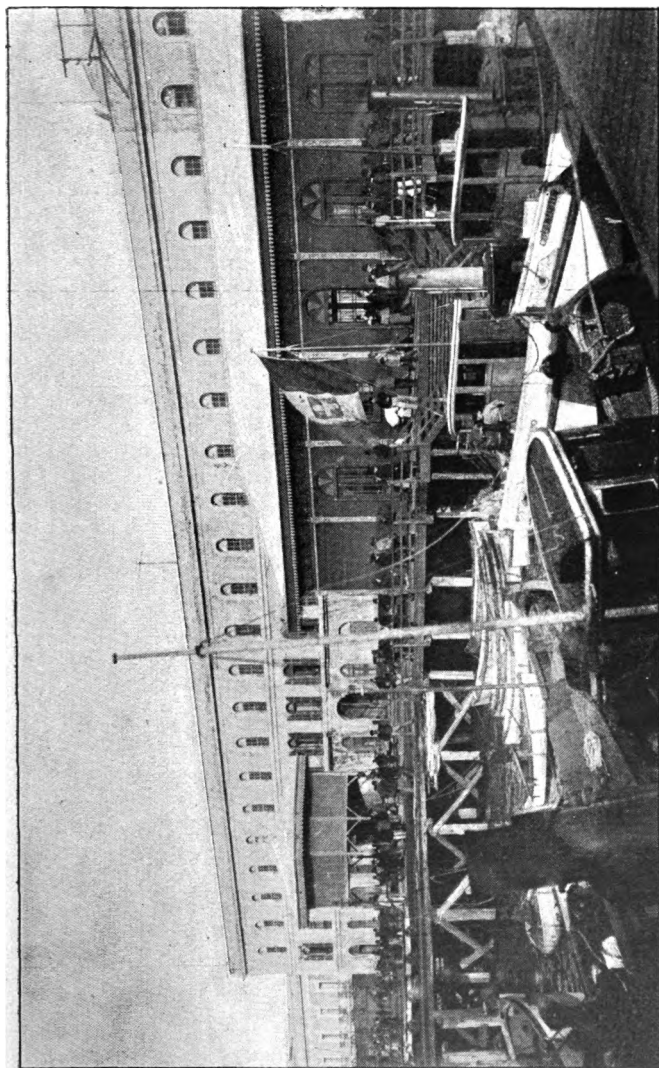
The other countries which export live-stock possess the following quantities in thousands:

	<u>Horses.</u>	<u>Cattle.</u>	<u>Sheep.</u>	<u>Pigs.</u>
United States.....	13,500	44,000	41,800	57,000
Australia and New Zealand.....	1,900	10,000	91,000	--
Canada.....	1,000	4,000	4,000	—
Russia in Europa.....	17,000	24,000	38,000	9,400
Mexico	1,000	1,500	1,000	—
Cape of Good Hope.....	387	1,000	1,200	245
	<u>34,787</u>	<u>84,500</u>	<u>177,000</u>	<u>66,645</u>

As is seen, in horses Argentina is only surpassed by the United States and Russia, which also surpass her in population, the United States having 16 times as many inhabitants and Russia 20 times as many.

When the eminent Mr. Nocard, whose death we are now deploring, visited this country, he said to me: «Horses will diminish notably in price, because the employment of them for draught is diminishing; in Paris, very soon, the electric tramways and the automobiles will make horses unnecessary for the purpose.» Steam-ploughs will make horses also unnecessary for agricultural work, as they are slower and more expensive, and their use will only be indispensable in war; but this use, also, will be restricted by the employment of bicycles and automobiles. So, too, the *rôle* of cavalry will, little by little, be limited to exploration, in consequence of the progress made with quick-firing guns and in the improvement of modern fire-arms.

Even in Argentina, the horse will become less necessary with the increasing tameness of cattle, by cross-breeding, and the construction of «*bretes*» and divided corrals will gradually suppress the use of the lasso for separating animals and for marking them, and, consequently, the brutal and semi-savage treatment to which cattle and horses are still subjected.



MONTevideo — Customhouse

Argentina possesses, it may be considered, an excessive number of horses, and, although the value of the horse-hair exported is \$ 1,000,000 and that of exported horsehides is as much, these animals greatly injure the «camps» and the *estancieros* are beginning to get rid of them and to replace them by cattle and sheep. Possibly, though, the breeding of horses may again increase if horse-flesh continues to be consumed as food in France.

In cattle, only the United States surpass Argentina—by 57 %—but there the quantity is not increasing; the population is growing considerably, and the cattle-raising industry is passing through a crisis; the breeders are emigrating to Canada, and one of the most important stock-owners, Mr. Stoops, of Iowa, has asked, through the engineer Mr. Corthell, for information respecting this country to which some of them are thinking of coming.

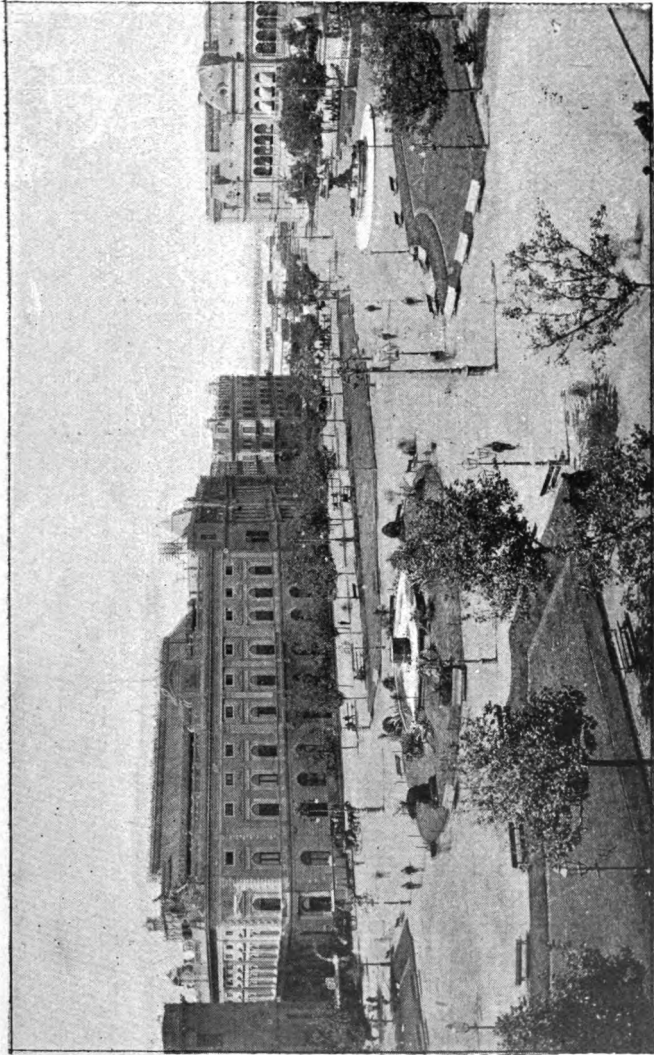
The following is a statement of the value of the live cattle and sheep and of the frozen meat exported in 1901 by the respective countries mentioned :

	<u>Thousands.</u>
United States (including pigs, pork, bacon, &c.).....	\$ 239,700
Australia and New Zealand.....	» 38,600
Canada.....	» 25,300
Argentina.....	» 14,800
Russia.....	» 9,000
Uruguay.....	» 6,600

Argentina, as is seen, has an unexploited treasure in the large quantity of her live-stock and Australia, Canada and even Uruguay have an enormous advantage over her by obtaining from a smaller number of animals a much larger return for meat. The colossal amount of the United States includes the proceeds from pigs, which yielded, in 1901-1902, in hams, bacon, pork and lard, \$ 126,800,000. In that country, then, every pig produces, in exports, \$ 2 gold. Denmark shows even greater results, since it exports to the average amount of \$ 14 to \$ 16 for every pig in the country.

Argentina, instead of exporting the products from pigs, still imports hams, bacon and lard to the amount of \$ 110,000, although there is in the country an abundance of maize, pumpkins and sweet potatoes for fattening pigs of exceptionally good quality.

There are 100 millions of hectares of land in



BUENOS AIRES — Plaza de Mayo and the Bank of the Nation

Argentina suitable for the live-stock industry, so that the quantity of stock may be easily augmented. The cultivation of alfalfa for the fattening of animals increases daily and very soon surprising transformations will be effected. So impartial and competent an opinion as that of Sir Thomas Holdich justifies confidence in a great future for the desert regions of the South of Argentina when the great volume of water of their rivers is applied to the irrigation of the virgin soils in healthy and invigorating climates, which are found in the vast territory of Patagonia.

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CHAPTER XXI

Freezers

Last year, three frigorific companies were working, and their capital and production of frozen carcasses were respectively as follows:

	<u>Capital</u>	<u>Steers</u>	<u>Sheep</u>
Sansinena Company	\$ 3,000,000	76,000	1,289,000
River Plate Fresh Meat Company	» 3,000,000	75,000	1,120,000
Las Palmas Produce Company	» 2,000,000	56,000	1,019,000
	<u>\$ 8,000,000</u>	<u>207,000</u>	<u>3,428,000</u>

The shares have been quoted as high as 245 % and at present those of the Sansinena Company are at 170 % and the Las Palmas at 18 shillings.

A new frigorific company, «La Blanca», has recently commenced working, with a capital of \$ 1,500,000 and the Sansinena Company has installed another «freezer» at Bahía Blanca.

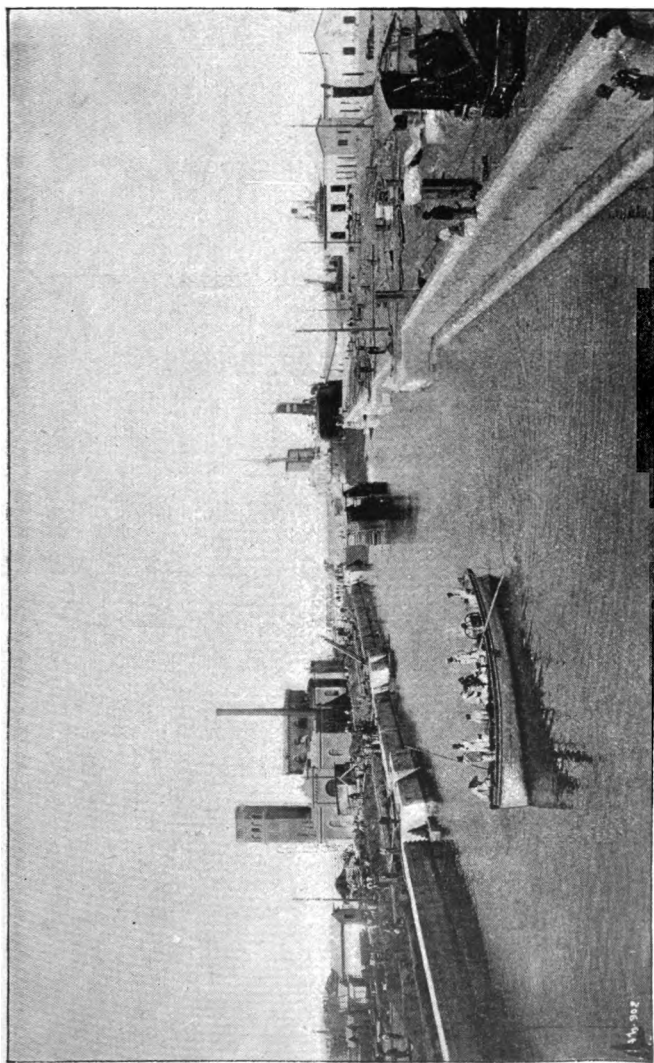
Besides the freezing-companies mentioned, seven

others have been formed or are in course of formation with the following respective amounts of capital:

	Thousands
La Argentina.....	\$ 1,250
Smithfield.....	> 1,250
Anglo-Argentina.....	> 1,250
La Plata Port.....	> 1,250
Mataderos Liniers.....	> 1,000
City of Buenos Aires.....	> 770
	<hr/>
	\$ 7,770
Those before-mentioned.....	> 9,500
	<hr/>
	<u>\$ 17,270</u>

These 11 frigorific factories can freeze, annually, 850,000 steers and 12,000,000 sheep, representing 3 % of the cattle and 11 % of the sheep now existing in the country. It is evident that these quantities can be easily obtained and those who think that too many companies have been formed will very soon see that there is stock of suitable quality sufficient for all of them.

The *ostensible* results of the «freezers» last year, after a precarious existence at first, were highly satisfactory, as they distributed dividends of 50 and 60 % after making liberal deductions for deterioration of property, for reserve and contingency funds and for the remuneration of directors.



ARGENTINA — BAHIA BLANCA — Dock of the Militar Port

When it is seen that the United States, with 44,000,000 cows, 41,800,000 sheep and 57,000,000 pigs, can, after providing food for a population of 76 millions of inhabitants, export meat of the value of \$ 240,000,000 ; Canada (with 4,000,000 cows and 4,000,000 sheep, and 5,000,000 inhabitants) \$ 25,000,000 and Australia and New Zealand (with 10,000,000 cows and 80,000,000 sheep, and 5,000,000 inhabitants) \$ 38,000,000, it can be understood that Argentina, with 28,000,000 cows and 110,000,000 sheep, and a population only equal to that of Australia, is backward in these industries, in exporting to the amount of only \$ 15,000,000.

As is seen, then, although Argentina has sufficient territory for feeding 100,000,000 cows and 300,000,000 sheep, its wealth in those animals might be quintupled by improving their quality and by raising them with more care, because it costs as much to keep an ordinary animal as one of pure breed.

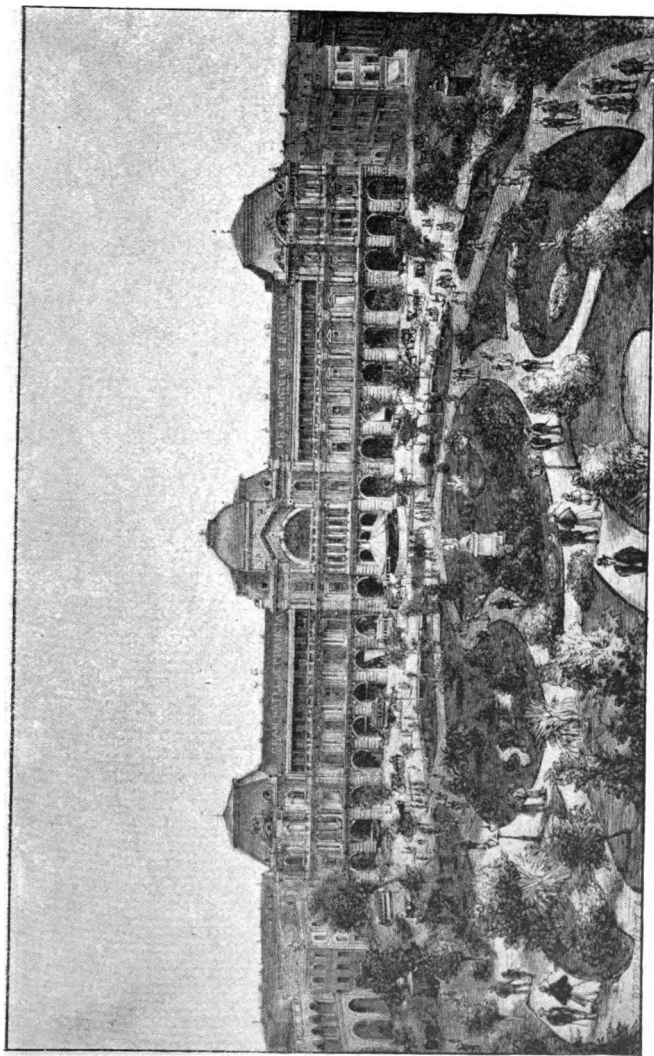
In 1902 the value of the meat exported from Argentina had already risen to \$ 20,000,000 ; frozen mutton had increased from 2,722,000 carcases to 3,429,000 and frozen beef from 124,000 to 207,000.

In the first quarter of this year the exports of live stock, and of meat frozen, salted, &c.,

amounted in value to \$ 6,000,000 or \$ 2,000,000 more than in the corresponding period of 1902. The amount may, therefore, easily reach \$ 30,000,000 by the end of the year.

The closing of the ports, on account of epidemics, can no longer be a danger for the Argentine pastoral industry; the «freezers» have settled this question, and perhaps in a more advantageous manner economically, considering that less is expended in freights and that only the carcasses are exported, and that the animal remains can, with advantage to the country, be transformed for subsequent exportation.

It has been shewn that Brazil consumes dried beef to the amount of about \$ 6,000,000, paying for it on board 27 cents gold per kilo, when Argentine frozen beef is selling in London at 18 cents gold; it is true that the latter is with the bone while the dried beef has none, but, on the other hand, there can be no hesitation in choosing between dried beef, of not very good quality, and inappetizable in every respect, and frozen beef which preserves almost all the properties of fresh meat. Apart from this, the conditions of digestibility of the latter are infinitely superior to those of the former. Brazil, then, at least in the maritime cities and in those on railways, such as San Paulo, will be one of the most



CHILE — SANTIAGO — Plaza de Armas

propitious markets for placing Argentine frozen meat, and the transport of it upon a large scale has already been initiated, after some experimental consignments which gave good results. In Río, Pará and Manaos frigorific stores have already been established and very soon they will be constructed in Bahía and Pernambuco.

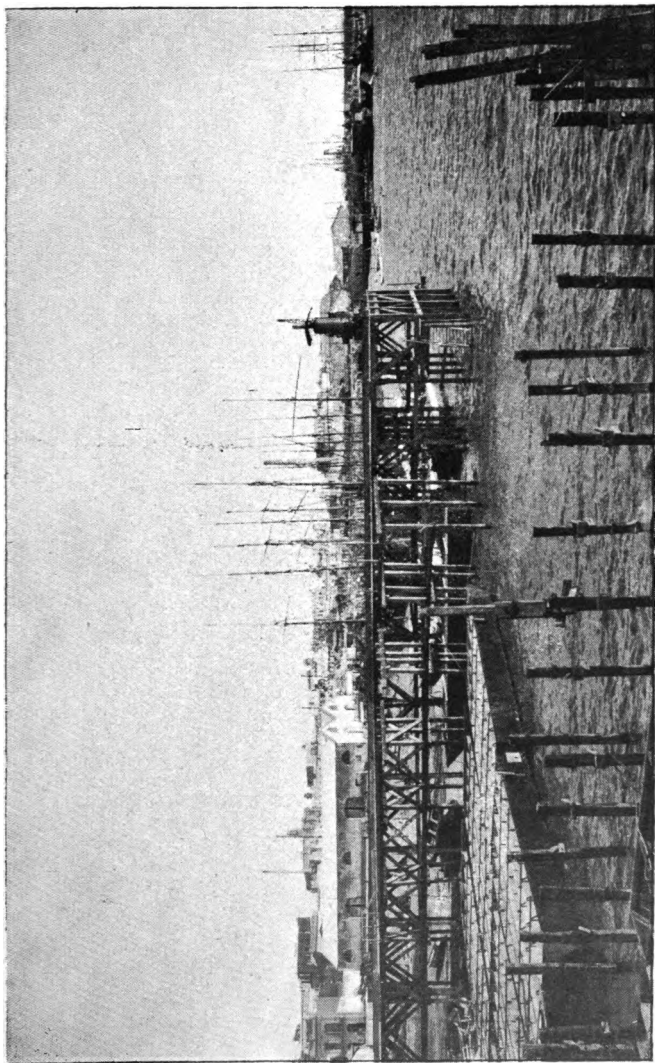
Río, Santos, San Paulo, Bahía, Pernambuco, Pará and Manaos have, in the aggregate, 1,200,000 inhabitants, who will consume frozen meat in preference to dried beef, though the latter will still be needed for some time in the interior of the country, until the means of communication have been improved. That the consumption of this article is diminishing is proved by the fact that in 1902 the value of the exports of it from Argentina was less by \$ 230,000 than in 1901, and in the first quarter of this year was less by \$ 433,000 than in the corresponding quarter of 1902.

Some of those busy-bodies who cannot endure the sight of industries existing in complete independence, and appeal for protection for them to the Governments which have sufficient occupation in the management of their own financial affairs, have suggested an inquisitorial measure which I suppose will not be adopted. It consists in preventing the slaughter of cows, lest steers should

become scarce. The stock-owners, however, know their own business best; they sell all the old and ordinary cows, which is the best way of arriving at the refinement of the race, in which the *criolla* element still predominates.

The quality of the cattle and sheep now possessed by Argentina will not permit of the disposal of the number of animals of the quality required for consumption in England, but if, besides the Brazilian, markets be opened in Italy, Spain, Portugal and on the Pacific coast, where people would be satisfied with meat as good as that which is consumed by the inhabitants of the city of Buenos Aires, there will be a considerable quantity of meat required for exportation. In Santiago, the capital of Chile, meat is three times as dear as in Buenos Aires.

The «freezers» solve one of the greatest problems affecting the wealth of Argentina and they will certainly increase in number. These establishments have yet to undertake the freezing of pigs, lambs, calves, hares, rabbits, poultry and wild birds, eggs, butter, fruit, vegetables and many other articles the benefit of which is at present lost from not adopting the means of preserving them.



ARGENTINA — ROSARIO · Port in construction

CHAPTER XXII

Hides and Leather

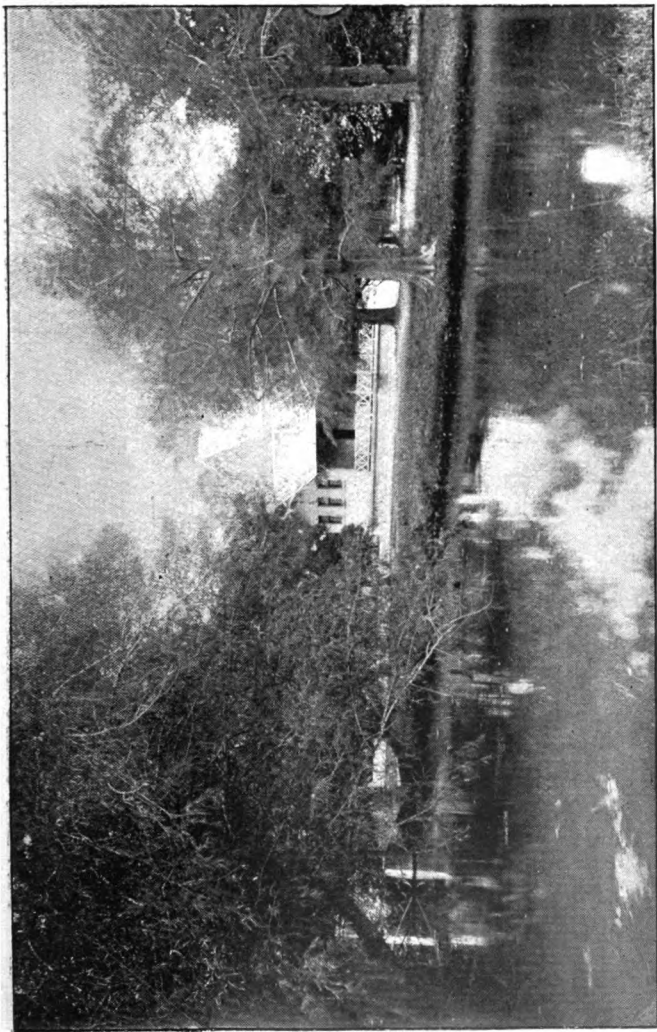
Only Argentina and Uruguay have exported these articles, and in 1901 they exported :

	<u>Thousands.</u>
Argentina, hides and skins for	\$ 24,000
Uruguay » » »	» 8,500
	<hr/>
	\$ 32,500

Argentina exported shoe-leather of the value of only \$ 9,850, but if the country, instead of protecting everything that impedes importation, were to devote its efforts to the assistance of the tanneries, the value of the hides exported might be three times 24 millions of dollars gold. New South Wales affords us an example, for, with two millions of cows, it exports leather of the value of \$ 2,147,500, and Canada, with four millions of cows, exports it to the amount of \$ 1,871,000.

In 1902, the ox-hides and sheepskins exported

from Argentina exceeded in value by \$ 2,200,000 the exports of 1901 and shoe-leather increased by \$ 73,000. In the first quarter of 1903, the hides exported were valued at \$ 1,430,000 more than in 1902, but shoe-leather diminished by \$ 12,500.



BUENOS AIRES — Lacs of the 3 de Febrero Park

CHAPTER XXIII

Butter and Cheese

The butter and cheese into which milk is transformed are among the most highly appreciated products of the cow, and the consumption of them becomes unlimited by lowering the prices.

The countries which are the principal importers of butter and cheese are:

	<u>Thousands.</u>
Great Britain.....	\$ 126,625
France.....	» 10,200
Belgium	» 4,400

In the other countries the importation is of little importance.

The countries which exported butter and cheese in 1901 are the following:

	Thousands.
Denmark.....	\$ 33,000
Canada	» 20,600
Holland	» 15,000
France.....	» 14,600
Switzerland.....	» 14,600
Australia and New Zealand....	» 14,000
Sweden.....	» 10,300
Russia.....	» 7,500
Italy.....	» 6,400
Argentina.....	» 397
	<hr/>
	\$ 136,397

The creameries are taking a very great development in Argentina; in 1902, the exports of butter were four times more than in 1901, and in the first quarter of 1903 they reached the value of \$ 805,000 or nearly four times as much as in the corresponding quarter of 1902.

In proportion to Canada, Argentina might, with her immense number of cows export butter to the amount of \$ 140,000,000, and in proportion to Australia and New Zealand \$ 40,000,000. I will avoid the comparison with Denmark where every cow produces \$ 19 for exportation or with Switzerland's average per cow of \$ 11.

The value of the cheese exported by Argentina is no more than the insignificant sum of \$ 1,300, while she imports it to the amount of \$ 655,000.

Nor does she export margarine, of which article the exports from Holland, for example, are valued at \$ 9,000,000.

In a little time, these articles will constitute considerable sources of production for Argentina.

The exports of butter from Argentina have increased as follows:

1891	—	1 $\frac{1}{2}$	ton
1892	—	10	tons
1893	—	27	»
1894	—	109	»
1895/9	—	4000	»
1900	—	1000	»
1901	—	1500	»
1902	—	4000	»
1903	—	6500	»

Eighty per cent goes to England, and the rest to Brazil and South Africa.

CHAPTER XXIV

Wool, Sheep and Meat

Argentina is the country which has the greatest number of sheep in the world, but it is the one which, relatively, derives the least benefit from them. This is due in part to the quality not having yet been sufficiently refined, in part to negligence in the care of the sheep, and lastly to the propagation of scab, the curing of which has not been made obligatory, while Australia established compulsion in the matter 30 years ago.

The countries which exported wool in 1901, in any considerable quantity, were :

	<u>Thousands.</u>
Australia and New Zealand....	\$ 100,000
Argentina	» 44,000
Turkey	» 23,000
Germany	» 16,800
Uruguay	» 8,600
Austria-Hungary	» 8,000
India	» 3,000

Australia possesses today 30 millions of sheep less than Argentina, but, nevertheless, exports

127 % more, in value, of wool, in spite of the drought which has prevailed there for a series of years.

The consumption of this article in the world is enormous and the under-mentioned countries import it annually as follows :

	<u>Thousands.</u>
United Kingdom.....	\$ 115,000
France.....	» 85,000
Germany	» 72,000
Belgium.....	» 20,500
Austria-Hungary	» 19,000
United States.....	» 12,500
Italy.....	» 9,200
Russia.	» 5,000
Spain.....	» 2,700
Japan	» 1,600
	<hr/> \$ 342,500

Thus, Argentina, though able, according to her stock of sheep, to provide almost the half of all that the foreign markets buy, actually supplies scarcely 11 %. Capital and intelligence are more needed than labour to raise this industry to a flourishing state.

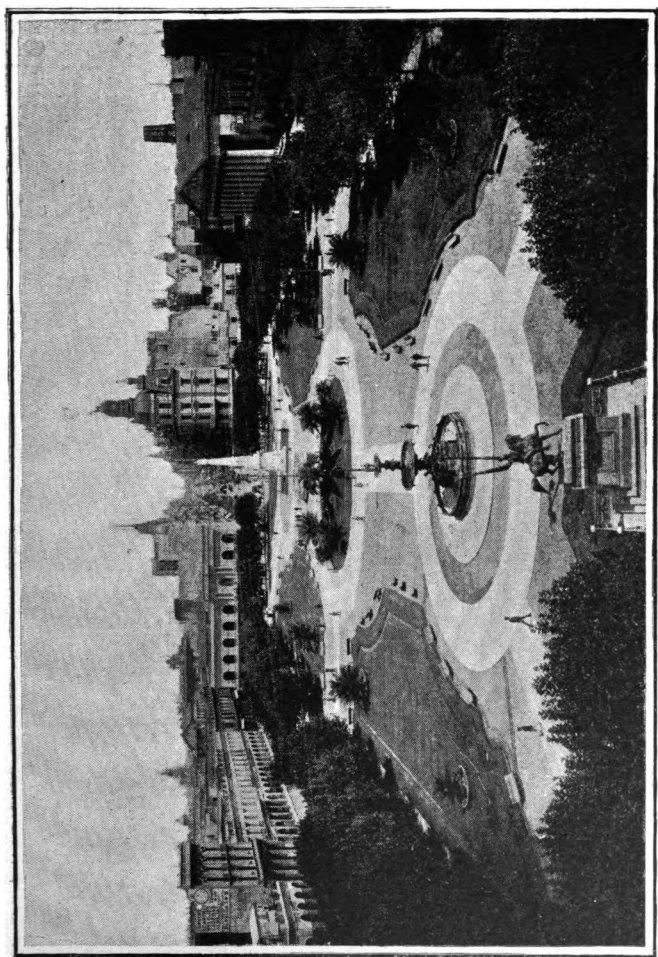
In 1902 there was an increase of \$ 2,000,000 and in the first quarter of 1903 more than \$ 1,600,000, which is an indication of improvement,

even though the augmentation may be attributed more to the exceptional conditions of the weather, which was favourable in all the seasons, with abundant rains, than to the efforts of the sheep-farmers.

Recent data confirm the calculations of the comparison made of Australia and New Zealand with Argentina.

Last year, the effects of a drought of more than five years were still felt. Australia and New Zealand exported 2,000,000 sheep to the United Kingdom and Argentina 2,700,000, but it must be borne in mind that two Australian sheep weigh as much as three Argentine. Australia exported 2,300,000 lambs and Argentina only 112,000. Now, the rain is falling abundantly upon the Australians, and, as the law of compensation prevails in Nature, soon they will have their seven fat years to make up to them for their seven lean years.

The foregoing details serve to confirm the assertion that the Argentines have in the present quantity of their cattle and sheep an inexhaustible source of wealth if they fatten them better.



BUENOS AIRES — Plaza de Mayo

CHAPTER XXV

Tallow and Grease

Few are the countries that can export these articles and many are those that need them. In 1901, the exports were, from

Australia and New Zealand	\$ 6,500,000
Argentina.	» 3,905,000

En 1902, Argentina reached \$ 6,210,000, while Australia and New Zealand, which in other times had exported to the amount of \$ 11,000,000, fell, in consequence of the drought, to little more than one-half of that value, but this is a transitory state of things.

In Argentina, tallow begins to be elaborated in the country itself, and already, without the necessity of making stearine candles dear by heavy import duties, those of the country are consumed almost exclusively and the importation is very small. It will not be long before this product will be converted into an article of exportation.

Oleo-margarine is also manufactured here, but not yet on a scale which permits it to be converted into an article of exportation.

When artificial fattening increases Argentina will be able, in proportion to Australia, to raise to \$ 20,000,000 the value of its exports of this article, obtained from cattle and sheep alone, the consumption of which is increasing all over the world, but the same relation is not maintained in the increase of the animals.

When the fattening of pigs acquires a greater development, they will give a very large product in *grease alone*.

All the products of the Argentine pastoral industry are extracted from nine classes of animals and consist of 43 different articles, all susceptible of augmentation and of improvement in the preparation of them; in 1901 they amounted in value to \$ 81,782,000; in 1902, the value rose to \$ 109,000,000, and in the first quarter of 1903 the value was \$ 34,020,000, representing \$ 3,560,000 more than in the corresponding quarter of 1902.

CHAPTER XXVI

Coffee

This stimulant, which does not contain any nutritive elements and exercises an unfavourable action upon the health of some persons, has, however, great numbers of partisans all over the world and about 700,000 tons of it are consumed, of which Brazil produces the greatest part ; Perú, where its cultivation has commenced, produces 1,500 tons, and Bolivia produces a small quantity, but of a very good class, and will be able to increase its yield when the railway to the Argentine frontier has been constructed.

The fall in the price of coffee, which in ten years has been in the proportion of 20 to 6, due to the excess of production and to the limited use of the beverage, is with good reason the cause of serious anxiety to Brazilian statesmen. The plantations have not been extended during the last few years, and, indeed, as was the case in Argentina with the sugarcane, arrangements are being made to limit the cultivation of coffee and to destroy a part of

the existing plantations. To this has to be added that the United States, which are the largest consumers of this product and receive it from Brazil to the amount of more than 50 millions of dollars, intend to impose high duties on Brazilian coffee imported, in order to protect that of Porto Rico, of Cuba and the Philippines.

Moreover, pure coffee has to compete with that which is adulterated with chicory and with roasted rye, beet-root, acorns, cyperus and lupine seeds and various mineral substances.

The coffee exported from Brazil in 1902 represented a value of \$ 72,000,000; in 1886 it was \$ 62,000,000, and in 1897 \$ 127,000,000 or one-third part of the production.

The value of Brazilian coffee has fallen to four milreis, on the average, and a greater fall is probable. The coffee-planters are in debt to the amount of \$ 40,000,000 and are exposed to a serious crisis.

Perú exported 1450 tons in 1900, and a trial of the cultivation of the plant is also being made in Paraguay.

Recent statistics shew that in 1902 the production of coffee in the whole world reached 1,140 millions of kilos, or 240 millions more than in 1901, of which increase Brazil contributed about 90%.

Brazilian coffee obtains the lowest price in the European markets: two-thirds of that of the African Mocha, only one-half of that of Puerto Cabello, and one third of the Arabian Mocha.

The proportion of the consumption is in:

United States... ..	45	o/o
Germany.....	18	»
France.....	11	»
Austria.....	5	»
Holland.....	5	»
Belgium.....	4	»
Italy.....	2 1/2	»
England.....	2	»
Switzerland.....	1 1/2	»
Argentina.....	1/2	»
Other countries.....	5 1/2	»

CHAPTER XXVII

Cotton

The plantations of cotton have been extended considerably in Brazil, where, already, 290,000 bales have been produced. Protection makes possible the manufacture in that country of what is produced there; 155 mills exist, with a capital of 17,000,000 dollars gold and they give employment to 200,000 persons.

Peru exported 7,300 tons of cotton in 1900, and in Argentina it begins to be cultivated in Misiones and in the Chaco, and for the first time cotton has been exported from here, the quantity being 3,600 kilos, and plantations are increasing. Soon, when the industry has acquired greater development, the planters will be asking for protection and then raw cotton will no longer enter with a duty of 5 %^o, and this article, one of the necessities of life, will become dearer.

At present, shielded by unmeasured protection, there are in operation in Argentina 16 manu-

factories of cotton fabrics, with a capital of \$ 2,000,000 and employing 5,000 work-people.

Argentina imports, annually, raw cotton of the value of \$ 1,130,000 and manufactured cotton valued at \$ 15,000,000. Of woollen articles imported the value is only \$ 5,000,000, and, in consequence of the high duties which the nation imposes upon its own wool — 4 % when it leaves the country, and as much, in some cases, as 150 % when it returns woven from abroad—the home consumption of wool diminishes, to the prejudice of one of the most valuable industries of the Republic. For my part, I think that the country would be more benefited by consuming Argentine wool woven abroad than North-American cotton woven in the country, and thereby hygiene would also gain.

CHAPTER XXVIII

Vines and viniculture

Chile and Argentina have made great efforts to render possible the cultivation of the vine in the mountainous regions near the Cordillera where it flourishes with irrigation.

The grapes produced are exquisite: of large size and of a delicate flavour, and they are unrivalled by any in the world except those of Málaga. Unfortunately, they are not yet exported, owing to the high railway charges for transport and to want of proper care in gathering and packing them. Yet Australia, from which the voyage to England is ten days longer than from Buenos Aires, sends grapes, as well as apples, to London in good condition.

As for the wine made in Chile and Argentina, it cannot compete with any European wine, either in quality or price. The high rate of interest in both countries prevents the wine-making business from being lucrative, inasmuch as it does not permit the wine to be kept for several years to mature. Protected by prohibitive

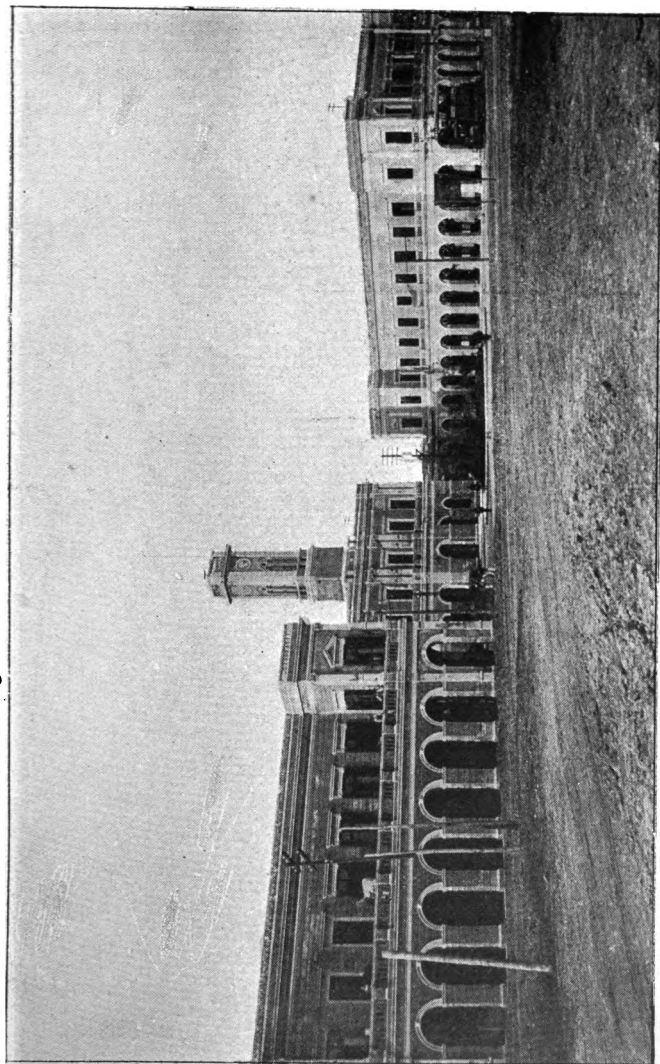
duties, the wine-makers have succeeded in reducing the imports of foreign wine into Argentina to a quantity valued at from 10 to 12 millions of dollars gold; thus the prices to the consumers are greatly raised while the State is deprived of a considerable revenue, not less than \$ 5,000,000 gold a year.

Notwithstanding these sacrifices imposed upon the consumer and the public revenue, the proprietors of vineyards do not prosper and in general their business is in a precarious situation. The present annual value of the wine imported is about \$ 3,200,000 gold for ordinary wine and \$ 900,000 for high-class wines.

The principal wine-exporting countries are:

	<u>Thousands</u>
France.....	\$ 45,500
Spain.....	» 16,000
Algeria.....	» 10,000
Italy.....	» 7,500
Portugal.....	» 5,500

France excels all other countries in the making of wine. Nevertheless, in the five years 1897-1901, her imports of wine were valued at \$ 220,000,000 and her exports at \$ 239,000,000; that is to say, the values were almost equal; in



BUENOS AIRES — Slaughterhouses

1900 and 1901 her exports exceeded her imports by 20 and 29 millions respectively. In 25 years to 1901 the production fell from 89 to 60 millions of hectolitres, and in 1898 it was only 31 millions.

Spain produces 28,000,000 hectolitres and exports common wine to France to the amount of \$ 4,000,000; this is mixed with French wine and exported as Bordeaux, with a higher value.

Italy produces 42,600,000 hectolitres and the production is increasing every year.

The undermentioned countries imported wine in 1901 as follows:

	Thousands
Great Britain	\$ 25,000
France	» 16,800
United States	» 15,000
Belgium	» 5,200
Austria-Hungary	» 5,000
	<u>\$ 67,000</u>

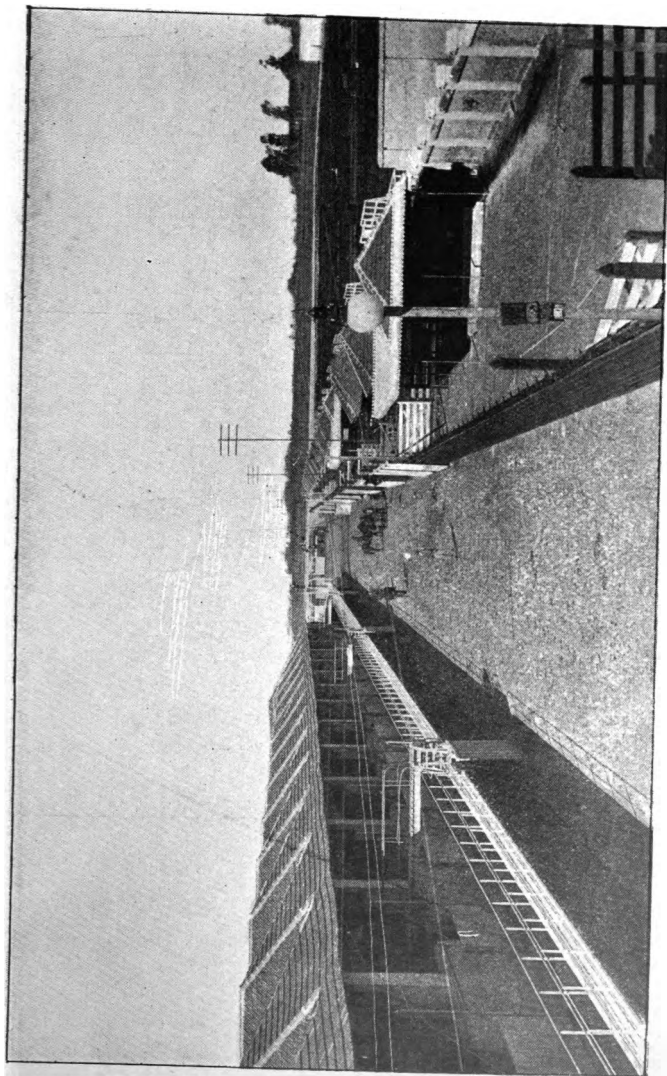
It is seen, then, that France imported, during some years, more wine than she exported, owing to the disease of the vines, but this inconvenience has now disappeared and the industry is returning to its normal state; instead of \$ 56,000,000, the imports amount to only \$ 17,000,000, and France can export her

wines without having recourse to chemistry to improve those imported from Italy, Spain and Algeria.

A rapid glance at the foregoing figures demonstrates that most countries consume their own wines and none can expect to obtain large amounts from those which it exports. Who knows, also, whether, with the proofs afforded of the injury to health caused by the consumption of wines ill-prepared or adulterated, or even of genuine wine to persons in delicate health, we may not witness, at no distant time, a considerable diminution in the consumption of wine?

Chile makes wine of a quality about equal to that of Argentine wine, but with greater care, because viniculture is more advanced there and a law prohibits the sale of wine until it has been stored for three years. Chile supplies itself with the ordinary classes but does not succeed in exporting it even to Perú. There, also, the wine-makers work with capital for which they pay high interest and so they are unable to keep their wine for long periods.

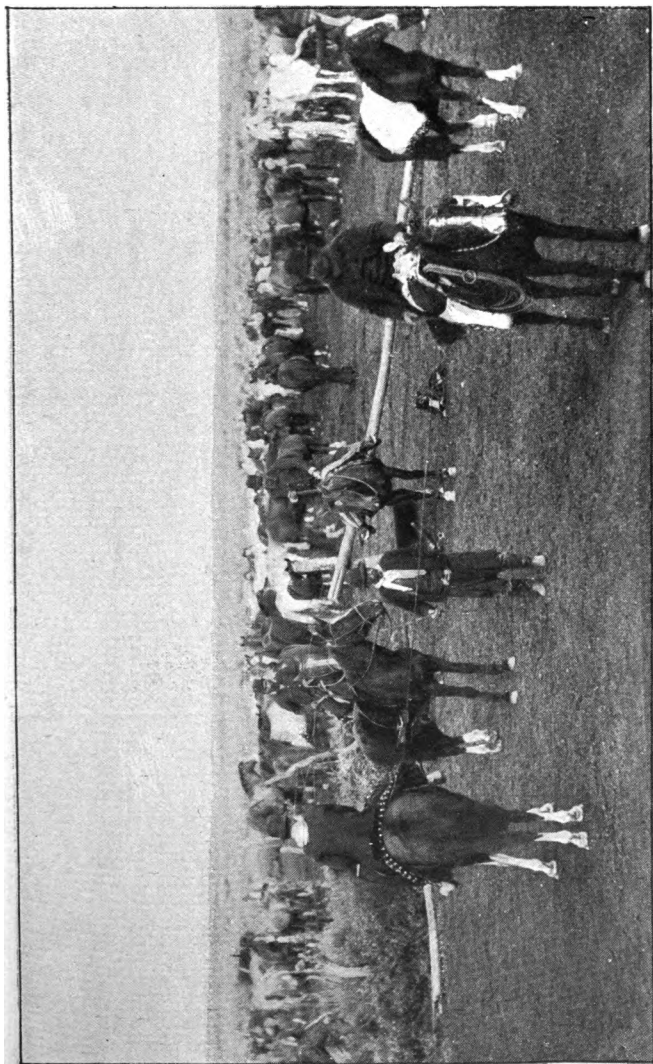
The wine-making establishments in San Juan and Mendoza represent a capital of \$ 15,000,000, and the excessive production, combined with adulteration of the wine, has made the price of



BUENOS AIRES — Inside of the Slaughterhouses

common wine there descend to $2 \frac{1}{4}$ cents per litre, without the tax.

The juice of fresh grapes begins to be consumed with great advantage and the exploitation of it may constitute a lucrative business.



ARGENTINA — A Flock of Horses

CHAPTER XXIX

Alcohol

I am not much interested in analysing the production and consumption of alcohol in the whole world, but most of the nations endeavour to make use of it as a source of revenue; some, Argentina to wit, do this with so much skilfulness, by imposing a tax of 44 cents gold for every litre elaborated, that not only has the consumption diminished, or it is manufactured clandestinely, but most of the distilleries are either working at a loss or have ceased to work. At present, a revenue of \$ 4,400,000 gold is derived from it; the production has fallen to 11,000,000 litres, having been 31,000,000 in 1892, when the tax was equivalent to about 3 cents gold per litre, and the same quantity in 1895, when it was equal to 66 milesimos and 132 milesimos gold. This confirms what occurred in the United States, where the revenue diminished when the tax was raised, and this had to be lowered in order to increase the receipts. We know very well that neither the production nor

the consumption of alcohol diminishes, but that fraud and smuggling increase. Alcohol is sold by retail at less than the amount of the tax.

If Argentina were to reduce the tax to one-third, the industry would flourish in this country, which has grapes, potatoes, peaches and maize for producing it at a low price and thus facilitating even its exportation. The application of it to lighting and to the production of motive power would very soon acquire a great increment, and it is the duty of the Government to promote the development of the industry, from which it would at the same time obtain a larger revenue.

The tax on alcohol and spirituous liquors produces, in millions of dollars, in: Great Britain 130, Russia 60, the United States 52, Germany 31, Austria-Hungary 15, Belgium 7 $\frac{1}{2}$.

CHAPTER XXX

Minerals

The imperfect means of communication, the high rate of interest on money, and, we might add, incompetence, have combined to prevent the mining industry from acquiring greater development in South America.

The value of the exports is, in:

	<u>Thousands</u>
Chile.....	\$ 57,780
Bolivia.....	» 16,300
Perú.....	» 8,750
Brazil.....	» 1,000
Argentina.....	» 327

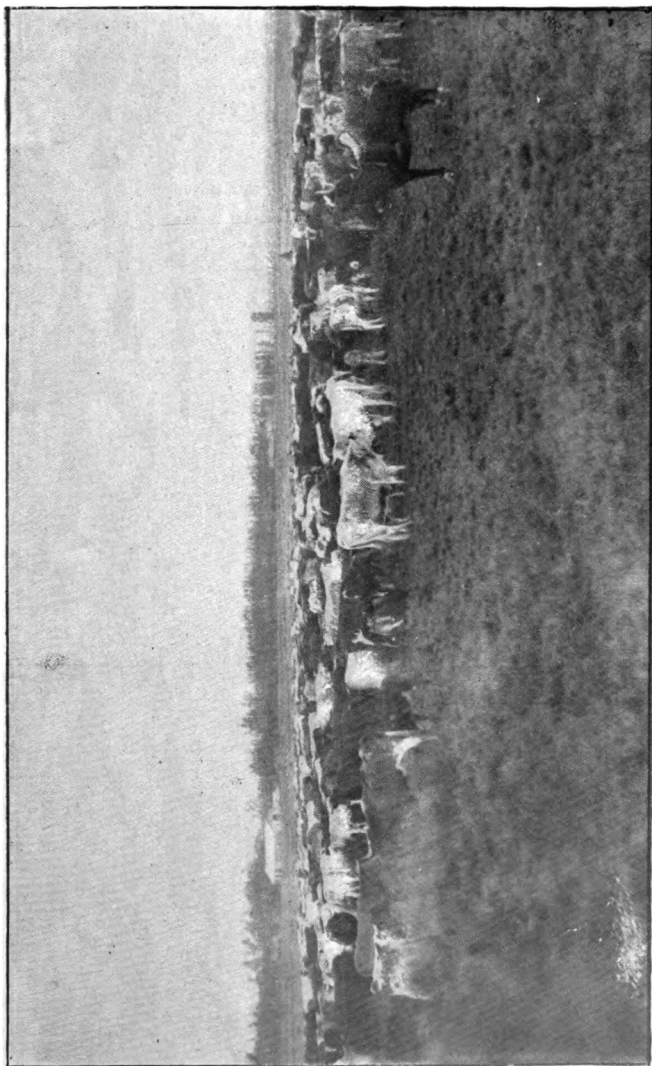
The data are very imperfect that can be obtained from the different countries in respect of the division of the above amounts among the minerals exported. Gold figures for insignificant sums; silver for \$ 15,000,000, of which the largest amount appertains to Perú and Bolivia — each of them for \$ 6,500,000 to \$ 7,000,000; copper for \$ 14,000,000 of which Chile claims \$ 10,000,000

and the greater part of the remainder belongs to Perú and Bolivia. The whole region of the Cordillera is full of mines of various minerals, which it will be easy to exploit when the railways have extended their lines to them.

Those who are acquainted with the part which will be traversed by the railway in course of construction from Jujuy to Tupiza — among them the competent authority Colonel Olascoaga — augur for those localities of Argentina and Bolivia the exploitation of enormous riches.

Tierra del Fuego has an abundance of gold and at this very time an important company is being organized which will probably convert into a new Klondike that picturesque southernmost part of Argentina, which has, besides, vast woods and panoramas more attractive than Sweden.

In the neighbourhood of Chosmalal there are rivers containing valuable auriferous sand, and when the Southern Railway extension, for which the surveys have already been made, is constructed to Las Lajas, we shall witness an important movement of pioneers, who will gather all the riches with which Nature has favoured this privileged land. They will not be only those which the minerals will produce; the thermal waters of the Copahues and other springs will restore health to thousands of persons who suffer the



ARGENTINA — A flock of cows and steers

pangs of rheumatism or from diseases of the digestive organs, and those waters may also be exported.

Among the minerals which at present give the best return are the Tarapaca saltpetre deposits, which formerly belonged to Perú, but which Chile, after the war, incorporated into her territory. They occupy an area of 89,000 hectares and contain 2316 millions of metrical quintals of saltpetre suitable for commerce.

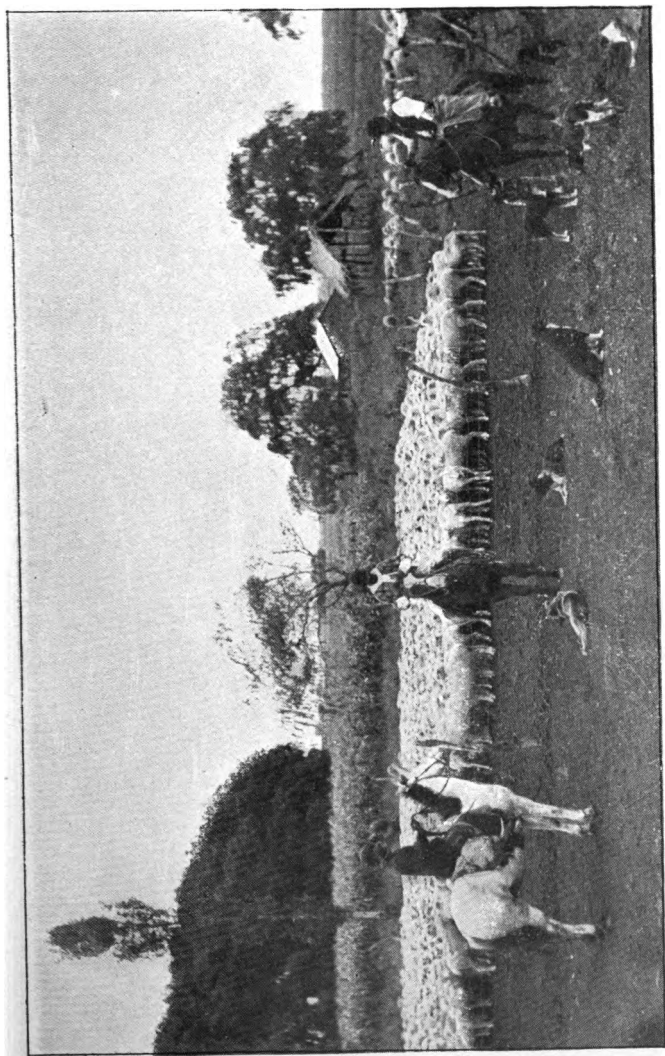
The quantity extracted has averaged 1,300,000 tons a year during the last five years and 20,000 men are employed in the work.

From 1877 to 1902 inclusive, the output of the saltpetre works was of the value of 1,120 millions of Chilean dollars which, being reduced to gold at 280 ‰, amounted to 400 millions of dollars gold. The exportation of 1901 represented \$ 46,000,000 and the amount received by the State for taxes on it was \$ 18,000,000. The value of what still belongs to the Government of the saltpetre deposits is only \$ 3,000,000 gold; the remainder is the property of foreign companies, so that, beyond the tax and what the country gains from the labourers who are occupied in the extraction of the saltpetre, the proceeds go out of the country.

The production has gone on increasing, since, from 550,000 tons which were extracted in 1884, the quantity rose to 1,490,000 in 1900, descending a little in 1901 to 1,263,000 tons, but rising again in 1902, when 1,333,000 tons were exported, and in 1903 it will probably reach 1,380,000 tons.

The 2,316 millions of metrical quintals of saltpetre still existing, which are equivalent to 231,600,000 tons, would permit the exportation of the mineral if it kept increasing in the same proportion as before 1900, at the rate of 200,000 tons a year for the term of 45 years.

Who knows, however, how many discoveries the progress of chemistry will not make for substituting some other substance for saltpetre as an element of manure, and who knows, also, whether, as Novicow says, the nutritive parts of minerals will not be extracted in order to make less necessary the cultivation of the soil? All this may happen, but, also, the contrary may happen, that is to say the impoverishment of the soil may continue and then the value of the saltpetre would have no limits. It is also possible that the exhausted lands of Chile herself, which, in general, are unproductive without irrigation, thus giving precarious returns, may necessitate the help of a great part of the saltpetre which is now exported.



ARGENTINA — A flock of sheep

It has been ascertained that the saltpetre deposits have a precarious life and that their extinction will take place in a more or less distant epoch.

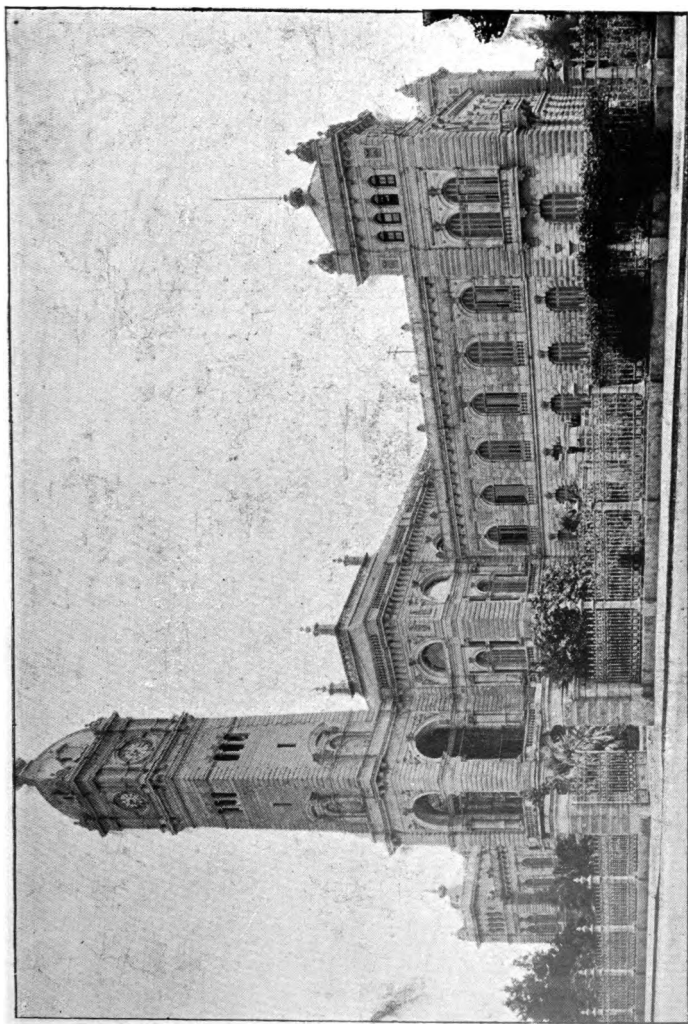
Chile has obtained from the saltpetre, in 24 years, about \$ 280,000,000 and Mr. Francisco Valdez Vergara calculates that in 20 years more she will be able to obtain \$ 450,000,000. He thinks that the mines will then be exhausted, so that he gives them a shorter life than did the previous calculation.

Chile produces a considerable quantity of coal for consumption, but it is inferior to that of Cardiff; the Argentine Republic has also some coal-beds in the Cordillera of the Andes and in Tierra del Fuego. When the railways are carried near them, they may be exploited with advantage. At present, the coal that is extracted from the San Rafael mines, near Mendoza, would cost, for transport alone, double the value of the coal imported from Cardiff.

Various springs of petroleum exist, which are also awaiting the means of communication, capital, intelligence and labour to be converted into lucrative industries which might produce for exportation as well as for internal consumption. Petroleum is exported by the United States of the value of \$ 60,000,000 and by Russia to the amount of \$ 30,000,000.

Chile exported, in 1902, 20,000,000 tons of copper, but the price has fallen and also the production; her statesmen attribute this to the imperfect means for its exploitation and to the high rate of interest on capital, From 1844 to 1902, Chile extracted about 1,800,000 tons of this metal.

Recently, a respectable company has been started in London with a capital of £ 1,500,000 to exploit several gold-mines in Chilecito, in the province of Rioja, in Argentina.



ARGENTINA — LA PLATA — Municipality

CHAPTER XXXI

Tobacco

Only Brazil and Paraguay export the leaf of this plant and its quality is not recommendable, The value of the Brazilian tobacco exported is \$ 6,600,000 and of the Paraguayan \$ 1,000,000. Argentina grows it in Tucuman and in Misiones though not of good quality. Seed has been imported from Havana, but the quality degenerates. If Virginian tobacco were grown, it would serve for curing the scab in sheep and for extinguishing the ticks which are so injurious to Argentine cattle, instead of smokers being poisoned with it.

This article is of much importance as a source of revenue.

Argentina receives from it \$ 4,500,000 in inland taxes and \$ 850,000 in customs duties.

France, which has established a State monopoly in tobacco, derives from it an annual revenue of \$ 60,000,000, and there the consumption, chiefly of cigarettes, increases and reaches a kilo per inhabitant.

Great Britain obtains \$ 56,000,000 from the impost and the United States \$ 53,000,000.

In Argentina, if the impost were more moderate, the revenue would increase, because there would be less smuggling.

The importation of tobacco and cigars in the under-mentioned countries in 1902 was as follows:

	Thousands
England.....	\$ 29,000
Germany.....	» 28,000
Austria.....	» 28,000
United States.....	» 18,000
Italy.....	» 6,000
Argentina.....	» 3,300

The exportation from the under-mentioned countries is represented by the following amounts:

	Thousands
United States.....	\$ 33,000
Cuba.....	» 29,000
Philippines.....	» 24,000
Porto Rico.....	» 7,000
Brazil.....	» 7,000
Paraguay.....	» 200
Argentina.....	» 7

Thus it is seen that the commerce in this article is very important and that as well Brazil as Paraguay and Argentina have lands for cultivating it of better quality and in greater quantity.

CHAPTER XXXII

Yerba Mate

This beverage is consumed by country-people in most of the South-American republics, for they attribute certain tonic properties to it and prefer it to coffee — perhaps because it is cheaper.

Argentina, which produces a «yerba mate» of inferior quality in Misiones, imports the article from Brazil and Paraguay to the amount of \$ 3,200,000 and \$ 800,000 respectively, making, together, \$ 4,000,000, while the imports of coffee and tea amount only to \$ 750,000 and \$ 450,000 respectively.

Chile must consume very little, since the value of the mentioned articles imported does not exceed \$ 500,000.

I have no means of information respecting the total quantity exported by Brazil and Paraguay. As the mode of drinking the infusion of «yerba» is beginning to be altered by suppressing the «bombilla» hitherto used for absorbing it from the «mate» (all present using the same vessel and «bombilla»!) and by adopting, instead, the

infusion of the leaves and serving the beverage in cups like tea, it is possible that its use may be extended still more. In Germany it is administered in the form of pills for curing certain diseases, and among us some distinguished physicians prescribe it in certain cases and in general attribute to it superiority over coffee. This seems to be indubitable, for it is known to contain caffeine in an insignificant quantity.

The foreign workman soon becomes habituated to the use of the «yerba mate» and even asks for it in place of coffee. It is the general belief among the working-classes that the yerba is superior to coffee as an alimentary substance. Moreover, the yerba costs only half as much as coffee.

Argentina may develop this industry by improving the quality of the plants, with which object experiments are already being made in the Botanical Garden of the Capital.

CHAPTER XXXIII

Various articles

An interesting fact for South - American countries, and especially for Argentina, where the rearing of domestic birds is so easy and frequent, is that Great Britain, Germany and Austria consume, together, 60,000,000 eggs annually. The frigorific establishments may be able to open a market for this valuable product, although it appears at present that a low temperature is not sufficient, alone, to prevent the alterations which are produced by transporting them from one climate to another, but chemistry realizes such extraordinary prodigies every day that it will not be difficult to discover the means of avoiding this inconvenience.

The «freezers» will also facilitate the exportation of Argentine peaches and grapes, which have no rivals in the world, and already they have been sent to London and sold there with a good result, and important contracts have been made with the Royal Mail Steampacket Company for transporting fruit from Buenos Aires to that

market. Great Britain and the United States consume annually fruit imported from abroad of the value of \$ 85,000,000.

In Argentina, a very simple process is beginning to be adopted in preparing grapes for exportation: when the bunches are gathered a little sealing-wax is applied to the end of the stems and the grapes will then retain their freshness for more than two months.

Brazil has, in some years, exported india-rubber to the amount of \$ 37,000,000, but the trade in this article is declining and the price of rubber has fallen to one-fourth of what could formerly be obtained.

CHAPTER XXXIV

Monetary System

All these countries have different monetary units, having in circulation gold, silver, nickel, copper and paper money convertible and inconvertible.

Argentina has the gold dollar which is equivalent to 5 francs, or \$ 5.04 for £ 1. The exchangeable value of the paper dollar is fixed by law at 44 cents gold at which rate paper and gold can be obtained at the Conversion office, so long as any of the gold which has been deposited in exchange for paper remains there. By this Conversion-law paper money may be depreciated in value but it cannot attain a greater value than 44 cents gold for a dollar in paper.

Uruguay has an *ideal* gold dollar which is equivalent to 5 francs 44 centimes; foreign coins circulate there at their equivalent value, but there is no inconvertible State paper-money; some of the Banks issue a few notes convertible at sight.

Brazil has the gold milreis, 20 milreis being equivalent to \$ 11.320 Argentine gold, or, say, 556 milesimos per milreis. The inconvertible paper money fluctuates; at present the 1000 reis paper are worth $12 \frac{3}{16}$ pence, or 255 milesimos of an Argentine gold dollar.

Chile has the dollar of 18 pence, equal to $37 \frac{1}{2}$ cents in Argentine gold. The inconvertible paper dollar is quoted at 280 ‰.

Perú has the gold pound, equal to the pound sterling, and the silver Sol, equal to 2 shillings or 50 cents Argentine gold.

Bolivia has the «boliviano», on the basis of 5 francs or an Argentine gold dollar, but the silver «boliviano» in circulation is at present worth only $37 \frac{1}{2}$ cents Argentine gold.

Paraguay has the nominal dollar of five francs, equal to the Argentine gold dollar, but the paper-dollar is quoted at 10 cents gold.

The monetary unity of all these countries, taking the franc, or 20 cents gold, as the basis, would be one of the most efficacious means for promoting commerce among them. Besides, the reduction of the representative sign to an expression less than the dollar would be of incalculable economic consequences, for it would make the people less extravagant and would facilitate saving. Experience has proved to me that a dollar paper

is spent in Argentina in the same way as one would spend in Uruguay a gold dollar, in the United States a silver dollar, in Austria a florin, in England a shilling, in Germany a mark and in France a franc.

CHAPTER XXXV

Customs Duties

The duties which the South - American countries impose upon each other's products that are the subject of commercial interchange do not obey a very equitable rule and are susceptible of reforms which would be beneficial to their respective revenues, consumers and producers.

Argentina levies on Paraguayan yerba 29 % on ground and 21 % for the unground; while the duty on Brazilian ground yerba is 58 %. Upon Paraguayan tobacco the duty is from 66 to 100 %; for that of Bahía from 75 to 119 %; for that of Río Janeiro 132 % and for Río Grande 132 %, while upon Havana tobacco only 50 % is imposed.

This is the result of levying specific duties.

For common coffee 41 % and for sugar 100 %.

Brazil imposes upon dried beef a duty of 30 % and upon flour 33 %.

The committee for revising the customhouse tariffs of Brazil has proposed for next year an increased duty on live cattle equivalent to 15 %.

Chile also imposes upon cattle a duty of 15 % and Argentina puts a duty of something like 180 % upon ordinary Chilian wine.

Chile, which does not produce sugar, has placed a very high duty on refined sugar simply to protect the only refinery that exists in the country. This will make difficult the access of Argentine sugar to that country.

How greatly these countries would gain if instead of spending time and money on Pan-American Congresses — whose objects are very noble but very far from realization — they were to begin by agreeing among themselves to modify and equalize their tariffs, if they did not elect to suppress, respectively, the customs duties which impede their reciprocal commercial development!

CHAPTER XXXVI

Navigation and Ports

As regards ports, only Argentina has constructed works of any importance, but Uruguay has a port in course of construction at Montevideo.

Chile has only the military port of Concepcion. All the other ports on the Atlantic and Pacific are such as Nature has formed.

In Argentina, the port of Buenos Aires cost \$ 36,000,000 and supplementary works are necessary which will cost \$ 10,000,000 more; at present it serves only for vessels drawing not more than 23 feet of water. Ensenada port cost \$ 15,000,000 and admits vessels of 25 feet draught. There is little movement in it, the error having been committed of constructing it as a rival to Buenos Aires; thus has been repeated here (as I predicted when the execution of the works was decreed) what happened to Flushing with relation to Antwerp, viz, that although the former offered greater facilities for navigation it could not compete with the latter, because the nucleus of commerce and the transactions estab-

lished for many years could not be taken away. Thus has it resulted with regard to the port of Buenos Aires; vessels of less draught are being constructed so as to be able to enter it, the channels are being deepened and the port of La Plata is totally abandoned. Attempts are being made to give it life, and it is to be hoped that they will be successful. In exchange, the port of Bahía Blanca will attain a greater development; a military port has been constructed there at a cost of \$ 10,000,000 which it is intended to enlarge so as to make it available for merchant ships and to secure for them a depth of 30 feet of water. In Rosario, on the river Paraná, the sum of \$ 11,000,000 will be expended in order to give greater facilities for shipping operations.

The general movement of ocean navigation in 1901 was as follows, in tons :

	In thousands		
	Entry	Departure	Total
Argentina.....	3,822	4,212	8,034
Brazil (Río, Bahía, Paranaguá, São Francisco).....	2,933	1,409	
Chile.....	3,537	2,998	6,535
Perú.....	768		
Uruguay.....	2,564	2,429	4,993

All these figures have only a relative value ; they are incomplete, and then in Uruguay, for instance, where most of the ships touch in passing, the statistics give the registered tonnage and not the cargo which is carried away or left.

Many of the ships which formerly arrived in Buenos Aires roads in ballast, in search of cargo, now pass by without stopping or they anchor at Montevideo, in consequence of the heavy dues which are imposed upon them here, even when they remain outside and do not effect any operations in the port.

The movement of the coast navigation is represented by the entries in 1901, in tons :

	<u>Thousands</u>
Argentina.....	12,301
Brazil (Río).....	513
Chile.....	7,641
Uruguay.....	2,255

The national mercantile fleets had in 1901 the following tonnage :

Brazil.....	76,900
Argentina.....	38,000
Chile.....	35,000
Uruguay.....	20,000
Perú.....	10,600

There enter monthly into the port of Buenos Aires 60 ocean steamers, of which 30 are English, 9 German, 5 French, 4 Italian and the others of various nationalities.

The most rapid voyages made are those to Genoa in 18 days, but proposals have been made for realizing them in 11 days to Cádiz, upon condition of the granting of a subvention to cover the cost of the extra coal that would be consumed. By reducing the passage to one-half of the time now occupied, incalculable advantages would be obtained; the interest would be saved which is now lost on the remittances in gold or in bills of exchange, the labour which is suspended of the people going to and from would increase production, immigrants would be more strongly attracted to these countries and the men of capital, intelligence and enterprise would be more desirous of becoming acquainted with them.

CHAPTER XXXVII

The Capitals

BUENOS AIRES, RÍO JANEIRO, SANTIAGO, MONTEVIDEO,
LIMA, ASUNCIÓN, LA PAZ.

A brief notice of the South-American Capitals may give us an idea of their respective importance.

In 1901 these cities furnished the following demographic data :

	POPULATION	BIRTH-RATE	DEATH-RATE
	Thousands	Per thousand	
Buenos Aires	850	39.5	18.6
do in 1902	870	37.2	16.2
Rio	500	28	28
Santiago . . .	261	41	47
Montevideo..	216	28.5	15.0
Lima	113	36.5	41.7
Asunción....	60	—	—
La Paz.	57	26	25.5

Buenos Aires. — This city may be considered today as the healthiest in the world. The only one of the great Capitals which surpasses it is

Berlin, which in 1902 had a death-rate of 15.4 per 1000 per annum, but in exchange Buenos Aires had a birth-rate of 37.2, while that of Berlin was only 24.8, and it is known that the mortality is always greatest among children, through neglect or defective feeding more than from sanitary conditions. This mortality is now diminishing by the use of sterilized and mater-nized milk which is producing such good results.

The mortality of Buenos Aires in the first eight months of 1903 was at the rate of 14.6 per 1000 per annum. Buenos Aires owes the improvement of its hygienic condition to its notable sanitary works and provision of running water, on which it has expended \$ 47,000,000. The quantity of filtered water supplied annually is 40,000,000 of cubic metres; and 47,500 houses or establishments are connected with the sewers. Only one-half of the houses in the city enjoy this benefit and it may be calculated that when all have it the average rate of mortality will be lowered still more, till it falls to that of Basle and Christiania, in each of which cities it is little more than 13 per thousand. These cities have not, however, a greater vegetative increase, since, in 1901, it was 16.7 and 19.6 respectively, while in Buenos Aires it was 21.

None of the other South-American cities has undertaken works of this kind, even if they are

projected, and, as I have already said, excessive mortality and ignorance are two internal enemies which do more injury to a country than the foreign enemies existing in the imagination.

Buenos Aires has more inhabitants than Rio, Santiago and Lima combined, 200,000 more than Santiago, Montevideo, Lima, Asunción and La Paz, and 200,000 more than all the Chilian cities : Santiago, Valparaiso, Concepcion, Talca, Chillan, Iquique, Antofagasta, Serena, Talcahuano and Curicó.

One half of the inhabitants are foreigners, comprising representatives of more than 50 nationalities; among them, the Italians figure with 27 %, Spaniards with 12 %, the French with 5 %, the Germans with 1 ½ % and the British with 1 %.

Buenos Aires is also the city of the most European character and the most cosmopolitan in the world. It is the most populous Spanish-speaking city, the most densely populated city of South America, and has, as I have shewn, the greatest vegetative increase, which is 21 per 1000, while in Montevideo it is 13 per 1000, and in Santiago there is a diminution of 6 per 1000 and in Rio of 1.90 per 1000.

In the whole of America there are only three cities that surpass it in population: New York,

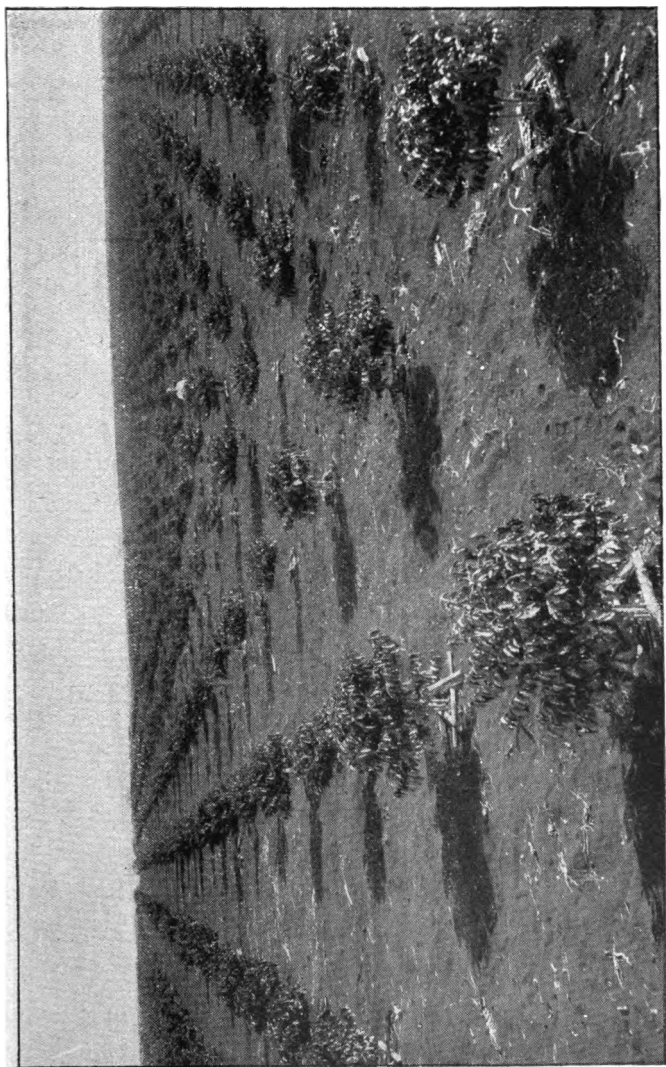
Chicago and Philadelphia, and my friend Colonel Church, of the United States, said to me a short time ago : « I cannot fix the time, but Buenos Aires will attain a relative importance equal to New York, because there are no other rival cities to compete with it. »

Already there are only four cities in the world : Paris, London, Berlin and New York, whose life and movement can astonish the inhabitants of Buenos Aires.

The intellectual life of this Capital assumes the most elevated proportions ; there are 246 public schools with some sumptuous buildings and 68,000 pupils attend the classes. The Law Faculty has 964 students, that of Philosophy and Letters 76, that of Medicine 1827 and that of engineering 332. The National and incorporated schools number 3600. There are three schools of music with 4,000 pupils and one of Fine Arts with 620 pupils.

Various technical schools and schools of commerce are producing the best results.

The professorate has the necessary competence. The Government, desirous of improving it still more, sent a distinguished director, the English professor Fitz-Simons to Europe and the United States to engage the best teachers whom he could find, but he has returned without bringing any,



BRASIL — Caffee trees plantation

because he has recognised that the teachers of this country are not today inferior as educationists to those of either of the former countries.

The Museum of Natural History is one of the first in the world in the palaeontological section and was founded by the *savant* Dr. Burmeister, whose traditions have been preserved by his successors.

The Museum of Paintings, recently created, and the Historical Museum have also some importance. A Zoological Garden, as large as that of Berlin, is continually enriching its already valuable collection of the universal *fauna*, and the Botanical Garden offers, for study, the best specimens of the universal *flora*.

The hygienic establishments possessed by this city and the organization of its « Public Assistance », its hospitals and lunatic asylums have attracted the attention of the principal scientific authorities.

The best Italian, French and Spanish singers, actors and actresses appear at the Buenos Aires theatres, which put on the stage, with numerous and well-trained orchestras, even the musical dramas of Wagner. In 1902, there were 14 theatres and places of entertainment open, and they were attended by 1,700,000 persons who paid \$ 1,190,000 for admission to them.

The horse-races take to the hippodromes during the year 200,000 persons, who spend \$ 7,500,000 in mutual-betting tickets. This is not a satisfactory fact, any more than that there are 62 drawings of the National Lottery in the year, the aggregate amount of the tickets sold being \$ 14,000,000, in order to obtain a profit of \$ 1,500,000 for the Charity associations, the Municipality of the Capital, where nearly all the tickets are placed, receiving only \$ 220,000. Since the re-establishment, in 1893, of this pernicious mode of gambling, which Christian souls support, encourage and applaud, it has consumed \$ 99,000,00, of which only \$ 14,500,000 has been devoted to public charity. Many a home has been impoverished and corrupt habits have been formed by men abandoning work to make their existence depend upon chance. I remind the Argentines that the figures which I give are in gold.

Speaking of lottery gambling it is worthy of note that the Administration Committee ordered the construction of a sumptuous building in which the drawings were to take place and all the offices were to be installed — a kind of casino — with great halls and an amphitheatre. The eminent Director of the Public Library Mr. Paul Groussac obtained, with praiseworthy perseverance, a change

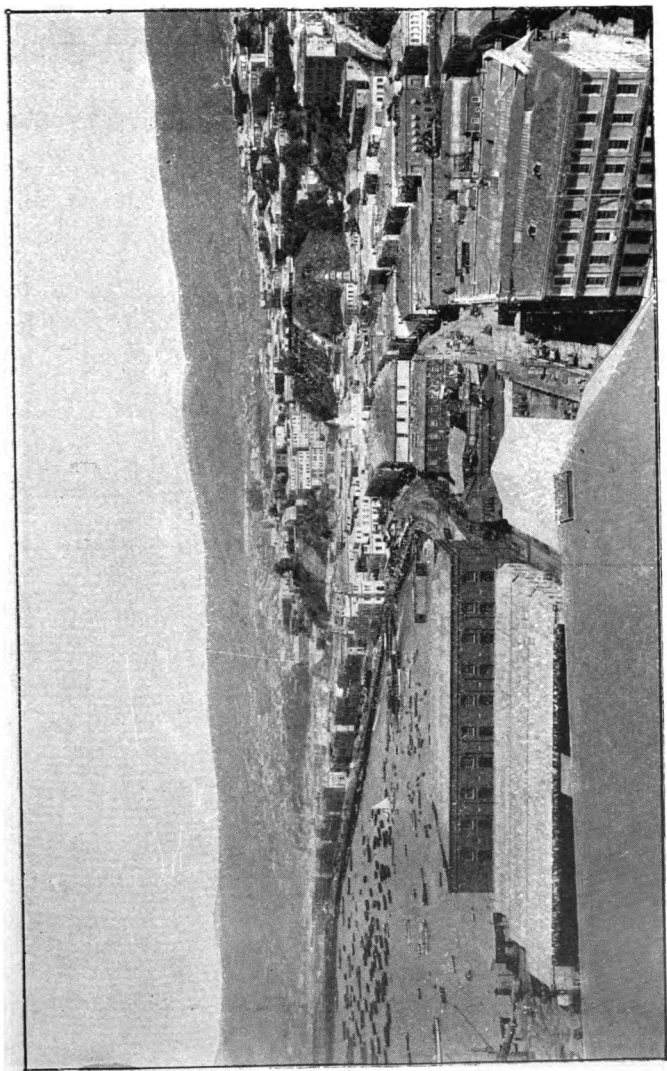


RIO JANEIRO — Ouvidor Street

in the destination of an important part of the money that has been diverted from the Savings banks. To day the National Library is installed there with sufficient amplitude and accommodation, and extensions which the increasing importance of this institution demands are being projected. Mr. Groussac received it with 35,000 volumes; to-day there are as many as 130,000. It can almost compete in numbers with that of Rio Janeiro and surpasses it as an instrument of work. It acquires through purchase and donation close on 6000 volumes of scientific works and a great number of reviews per annum. In 1903 there was an attendance of 17,500 readers, not many for a population of nearly one million inhabitants, but in a nation in formation time is employed in working for a living and very little can be dedicated to scientific studies. The climate also is a drawback to the attendance of as many readers as in cold climates, it having been observed here that in summer months the number of readers is reduced to one half and one fourth part. Another influence is the fact that most of the intellectual people in this country have their own private libraries, which are usually well stocked. Another advantage attained by the Director is that the amphitheatre is used for concerts of classical music which already begin

to have a number of hearers not to be despised in this City.

Life here is ample, expansive and active. The temperature, at 2 p. m., varies between 26 and 29 degrees Centigrade in the summer months and between 6.30 and 14 in the winter. There is sunshine during 2300 hours in the year and the rain-fall is normal. It can be easily understood that with so temperate a climate, with so much light and air so pure, there has been developed here, with the mixture of all the nationalities of the world, of diverse types, languages and customs, a special race, of robust and elegant forms and of intellectual agility. The woman is, in general, beautiful, she clothes herself with elegance and is distinguished by her manners, she is alert and *spirituelle*; the man is enterprising; scarcely any one is ignorant of French and Italian, a few know English, and the men are careful in their dress, the higher classes following the English fashion. The Opera house presents an aspect which is only equalled in the Covent Garden theatre in London. This was remarked by Colonel Sir Thomas Holdich to a lady in the latter theatre, when she called his attention to the display of elegance at one of the performances: «It is so, Madam, but after having been in Buenos Aires nothing can astonish one in sights of this kind».



VALPARAISO — Panorama of the city

All the foreign groups have their own schools, churches, hospitals, clubs and literary and artistic associations.

There are 212 periodicals published in Buenos Aires, of which, besides those that are written in Spanish, there are some in English, Italian, French, German, Genoese, Gallego, Basque, Catalan, Scandinavian and Arabic. Their telegraphic service is as ample as that of the North-American Press, and progress is being made in illustrations. The style is lively, sarcastic, rather intolerant, and the liberty of the Press which is enjoyed here is apt to verge on license. This is an evil which is compensated by the benefits produced by sensible criticism, and, after all, we must remember what Macaulay taught us, in saying: «I do not fear the excesses of liberty, for at the foot of Vesuvius and of Etna flowers have more fragrance and the vines are more luxuriant, stimulated by the burning lava of the volcanoes.» It is also better to have an independent Press, even though it may exaggerate what is bad and not give due importance to what is good, than one that is sycophantic, because, as Cavour said: «If you wish to make sound and just ideas suspected, state them in an official and semi-official manner. If your cause is good, you will easily find, without paying them, writers who will defend them with greater

zeal and talent than the subventioned journalists.»

In the year 1902, 135,000 passengers and immigrants arrived in Buenos Aires and 117,500 left the city.

The quantity of provisions consumed in this great city is proportionately greater than in any other in the world, and on the most modest tables there is always an abundance of food. In the markets there are sold annually 653,000 cows, steers and calves, 30,000 pigs and sucking-pigs, 3,000,000 of hens and chickens, 110,000 turkeys, 120,000 ducks, 1,400,000 brace of partridges, 210,000 couples of pigeons, 137,000 rabbits and armadillos, 30,000 geese and 5,300,000 dozens of eggs. Meat is worth from 7 to 15 cents per kilo. There are 383 bakeries which use 46,300,000 kilos of flour and the bread is worth 88 milsimos of a dollar per kilo for the best quality and 61 for the second quality.

The railways carry 4,500,000 passengers. There are eight tramway companies, whose lines are 471 kilometres in length and which carried 126,300,000 passengers in 1902 who paid them \$ 5,810,000. Of these tramways, 113 kilometres are electric, but all the companies are changing horse-traction for electric and within two years the inhabitants will enjoy this improved system of rapid movement which causes less inconvenience

in the streets, even though it is necessary to pass through them with more caution.

The sales of property in the city average in amount \$ 20,000,000 a year and mortgages are effected to the amount of \$ 13,000,000. The Stock Exchange has 1500 members and the operations effected in 1902 amounted to \$ 313,000,000 in gold, \$ 37,600,000 in mortgage cedulas and \$ 6,000,000 in public bonds. The Bank Clearing house dealt with cheques to the amount of \$ 1,620,000,000.

There are 33,245 shops and places of business, 1533 factories and 1381 workshops, and the drapery shops have no reason to envy the elegance of the best establishments of London, Paris or Berlin.

The exports and imports through the port of Buenos Aires amount in value to \$ 98,500,000 and \$ 89,000,000 respectively; 153,000,000 of letters, newspapers and packages of printed matter, postal cards, samples and parcels pass through the Post Office and 1,400,000 telegrams are despatched and received. The telephones have 11,500 subscribers.

Eighteen hospitals are maintained which have attended to 10,600 Argentines and 17,000 foreigners. There are 17 Charity Asylums which assist 5,000 orphans and destitute persons; the Lunatic

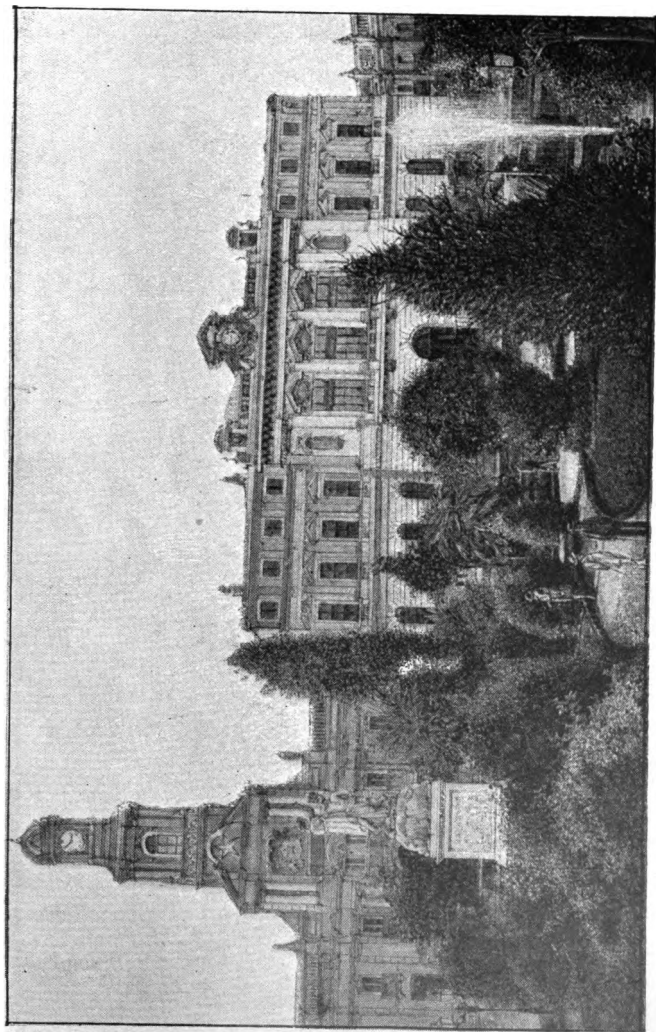
Asylums have 3,000 inmates and 3,100 houses have been disinfected.

Of the 5,424 criminals apprehended last year, 2,098 were Argentines; 3,326 were foreigners, and out of 17,900 drunkards 5,100 were Argentines and 12,800 were foreigners, 11,300 were day-labourers and 4,200 were described as having no occupation. The value of the property stolen was \$ 451,000. The number of suicides was 132.

Passing to the streets, 186 kilometres in length, of this extensive city, we find them lighted by 990 electric lamps, 1700 lamps with incandescent gas, 11,500 with common gas and 8,500 with kerosene. The municipality spends upon this service \$ 603,000 a year. The Gas Companies have 61,160 meters in private use and receive for the gas consumed \$ 2,367,000; the electric companies have 6,600 customers and receive \$ 325,000 for the lighting, besides what they gain for the electric motive power supplied.

Few cities have better wood and asphalt pavement or cleaner streets. There are about 6,000,000 of metres of pavement of which 562,000 are of wood, 160,000 of asphalt and the remainder of granite.

The parks, public gardens, «plazas» (squares) and «plazoletas» (small squares) are kept in good



CHILE SANTIAGO — Intendancy and Municipal House

order, the trees and plants are being constantly increased and new gardens are being formed. There are 4,000,000 of square metres of parks, 730,000 of plazas and 600,000 of public gardens. More than 60,000 trees adorn these places of recreation and health, purify the air and afford protection from sun and dust.

The «May Avenue», 30 metres in width and two kilometres in length, boasts of sumptuous edifices and can rival the best streets in Europe.

The private houses and the chalets of the suburbs show a varied taste in architecture and they are furnished luxuriously and comfortably in all the styles and fashions known.

There are 2,100 carriages belonging to private individuals and 2,200 licensed for public service, besides 6,200 bicycles and a considerable number of automobiles. The private carriage horses are of the best European and North-American races, which are already bred in abundance in the country.

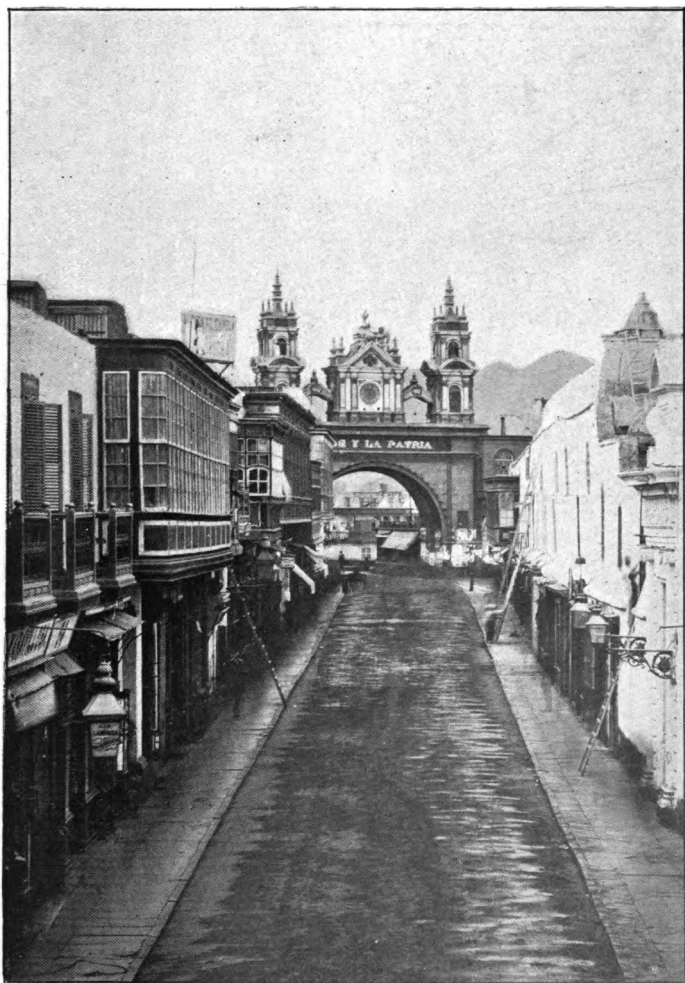
In 1902, the general revenue of the Municipality reached \$ 6,600,000, of which nearly \$ 2,000,000 represented payment for services. People have been made to believe that this city is over-burdened with taxes, but those which are paid for the service of sewers, rain-water outlets and running water amount to \$ 9,000,000. Water

is cheaper in Buenos Aires, where the charge is 8 $\frac{1}{4}$ to 20 cents, than in London, Paris, Philadelphia and Santiago, for example, where the charges are, respectively, 25, 27, 25 and 23 cents, while in Antwerp the charge is as much as 54 cents.

But, as we have already seen, in Buenos Aires private individuals pay, for being carried on tramways and for the lighting of the interior of their houses, as much as for all the municipal services of scavenging, sewerage, water, light, disinfection, the construction of one-fourth part of the pavement and the repairing of the whole of it and for the care of the public gardens, parks, &c.

We are not excessively taxed if we compare the \$ 10 gold, which, on the average, every inhabitant pays annually, with the \$ 16 to \$ 20 which is paid in cities where the services cost less, such as Paris, London and New York, the population of Buenos Aires being less dense, but the taxes are badly distributed, they proceed from 55 distinct sources, and they are neither proportional nor progressive, except as regards the poor, upon whom the taxes fall more heavily than upon the rich.

The public will not cease to complain and the tax-revenue will not increase until the North-American system of municipal taxation has been



LIMA — Bridge Arch

adopted, and in preference that of Philadelphia, where it is imposed upon property exclusively.

It must also be borne in mind that the gambling in the Lottery and on the races absorbs \$ 21,500,000 a year: that is to say, \$ 12,500,000 more than all the public services that I have just enumerated.

There are 80,000 houses in the Municipality and every year 1,200 permissions are granted for the erection of new buildings.

The debt of the Municipality of the Capital is \$ 26,500,000 but it possesses properties of about the same value, without taking into account the parks and gardens, of which the value cannot be estimated. It owes, then, \$ 30 per inhabitant and the debt represents four times the amount of its annual revenue. The service of the debt requires \$ 4,800,000 or 27 % of the revenue.

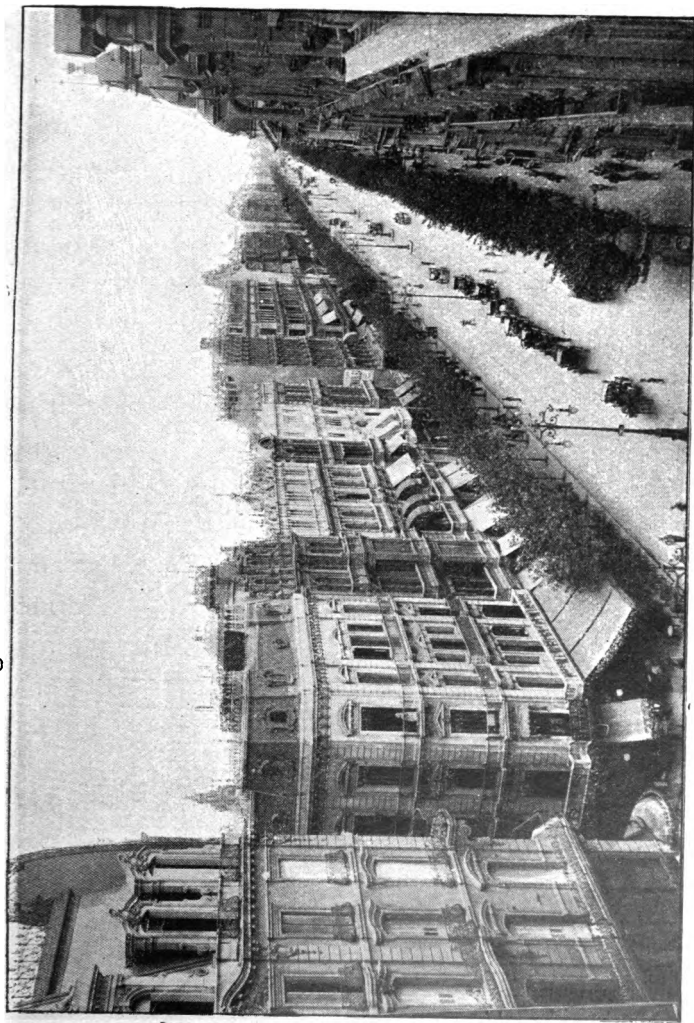
London spends \$ 72,000,000, which is equivalent to \$ 16 per inhabitant. Its debt is \$ 270,000,000 and the service of it takes \$ 11,655,000, or 44 % of the revenue. Paris spends \$ 56,000,000 or \$ 21 per inhabitant; it owes about \$ 400,000,000, as much as the whole of the Argentine Republic, and the debt-service is \$ 22,000,000, equal to 40 % of the revenue.

These figures shew that the City of Buenos

Aires is not over-burdened with taxes or debts, and those who are acquainted with the details know that the communal interests are attended to with honesty and ability.

The municipalization of the services of a public character is being initiated, and, if Glasgow should be adopted as a model and if the services should be managed with as much good judgment as in that city, the inhabitants of Buenos Aires will have to be congratulated.

Amidst all its grandeur, Buenos Aires presents its shadows. Among them are the statistics, little consolatory, relative to the proportion of marriages and births. Though the foreigners constitute only one-half of the population there are 4128 foreign men and 3148 foreign women married and only 1868 Argentine men and 2681 Argentine women. A similar thing occurs with the births : for out of 32,500 children born, only 4300 had Argentine parents, while 22,167 were of foreign parentage, and as to 6200 the parentage was Argentine on one side only. This disproportion is undoubtedly the result, in part, of the social class of the Argentines, whose mode of life has greater exigencies, in consequence of the luxury which has taken inconvenient proportions and the consequent dearness of houses and the increase of other expenses.



BUENOS AIRES — Mayo Avenue

Rio Janeiro.—This city is next in importance to Buenos Aires. It is situated in Latitude 22 deg. and Longitude 43. The lowest temperature is 21 deg. Centigrade in winter and the highest is 40 deg. in summer.

It is wanting in appropriate sanitary works, but the Municipality is now occupied in giving an impulse to them which will improve its sanitary condition, as would also be effected by cutting away some of the hills which surround it, so that the winds might better beat against it and move the waters of its beautiful bay, one of the finest in the world, the bottom of which is infected. It is also intended to dredge the bay.

The city occupies an area of 100 square kilometres, and the entire State of Rio Janeiro, which many persons confuse with the urban part of the Capital, comprises 1394 square kilometres.

It is difficult to ascertain with exactitude what is the population of Rio, but, by making use of the table of births and deaths, the number of inhabitants may be fixed approximately. The census of 1890 gave 436,830 inhabitants in the city of Rio and 85,820 in the rest of the Federal State. There has not been any vegetative increase in the last few years; on the contrary, there has been a decrease. In 1837, there were 8,933 births and in 1867 only 6121; in 1873 the births began to

increase and reached 13,838 in 1900, against the 32,180 of Buenos Aires in that year.

From 1890 to 1900, there were 179,700 deaths and 148,500 births in Rio, showing a vegetative diminution of 31,200 souls.

Dr. Gabriel Carrasco, of Buenos Aires, published a comparative statement in 1901 by which he demonstrated, with irrefutable arguments, the exactitude of his calculations, shewing that Rio Janeiro could not have a population greater than 500,000 inhabitants, even allowing for the imperfect data respecting increase by immigration, which, to arrive at that figure, getting rid of the decrease, must have have been about 95,000.

Dr. Carrasco's publication caused great excitement in Brazil and violent attacks against him, the consequence being that a new Census was taken, the results of which have not been published. However, at the sitting of the Brazilian Chamber of Deputies held on November 26th., 1902, the Deputy Barbosa Lima asserted that the census figures had not been published because they gave results inferior to those of Dr. Carrasco's calculations; therefore, we may accept the number of 500,000 inhabitants as the highest that can be admitted; Besides, the figures of the birth-rate, which obeys universal physical laws, is about the same in the countries which are not over-loaded

with population and when there are no reasons of distress or exaggeration of expenses in the customs of social life. Buenos Aires and Rio are two cities in which the conditions of existence are about the same, so that, if in Buenos Aires, with 870,000 inhabitants, there were 32,400 births in 1902, the 13,830 births in Rio in 1900 would correspond to a population of 370,000, which is less than was given by the Census of 1890.

That the births in Rio are in the same proportion as in Buenos Aires is proved by the fact that in 1837, when there were 8,933 births in the former city, Penny calculated that its population exceeded 200,000, the number indicated corresponding to 300,000 inhabitants at the least. — Walsh calculated the population in 1830 at 150,000.—It is impossible to admit that the Brazilians were more prolific in 1837 than in 1900. Rio has an insignificant vegetative increase ; in 11 years the excess of births over deaths did not reach 1500.

The death-rate in Buenos Aires was also very high formerly, but it has been reduced by the preaching and persistence of those among us who regarded with horror the neglect of hygienic measures and the repulsion to expenditure upon them. Even now the death-rate is excessively high in Mendoza, San Juan, Tucuman, Catamarca, Salta

and Jujuy ; in the three last-mentioned provinces there are also more deaths than births. We do not fear the disclosure of these facts ; on the contrary, the National Government is constructing in all those Andine cities sewers and water-works and in a few years those great inconveniences will disappear.

There is a vanity, little justified, in the people of every nation, and that is the aspiration that their Capital may have a very large number of inhabitants ; nevertheless, the best Argentine statesmen deplore the fact that one-fifth part of the population of the country is concentrated in the city of Buenos Aires, as this involves an economic and political danger of alarming proportions for the future. It is better to desire and aid in the diminution of the urban populations and the increase of the rural, and it is possible that in this respect Brazil is in more advantageous conditions than Argentina. English statesmen also lament the fact that the urban population of Great Britain represents 70 % of the inhabitants of the kingdom, and to this they attribute the relative decadence in the vigour of the race, proved by the medical examination of the recruits for military service, one-third of whom were rejected, while three out of every five soldiers contracted for seven years had to abandon the service at the end of two years.

Rio, much earlier than Buenos Aires, had tramways, at first with horse or mule traction and subsequently with electric traction, but in 1900 the number of passengers, 57,000,000, carried over the Rio tramways represented less than one-half of the movement of those of Buenos Aires, and this is also a sign of the smaller population of Rio, inasmuch as the tramway offers almost the only means of locomotion, and the great heat induces the inhabitants to live in the elevated and picturesque suburbs, so that they are obliged to travel more. Rio has fine theatres, spacious and well cared-for «plazas» and public gardens and attractive suburbs with ideal residences, such as Petropolis. Nothing is lacking for civilized life and we do not doubt that the yellow-fever, which, even now, does not claim so many victims as formerly, will be extirpated, as was done by the North-Americans in Havana.

Rio surpasses Buenos Aires in gas-lighting, but, in exchange, it has only one market against 12 in the latter city.

Although I have sought and asked for more complete information respecting Rio, I have been unable to obtain it, but I have been told that its progressive Mayor will very soon restore to Rio its former splendour, and will make into one of the most favourite residences for man that poetic

city, where one lives in a tepid atmosphere, with a perpetual panorama of verdure, adorned by the most majestic trees in nature, with the most perfumed flowers and the most exquisite fruits.

• *Santiago.* — This city, the third in importance of South America, situated in Latitude 33 deg. and Longitude 40 deg., has also failed in vegetative increase of population during the last few years, for there are more deaths than births. As yet, no definitive sanitary works have been undertaken and the provision of water is defective, but, happily, its authorities have plans of sanification under consideration.

The climate is dry, there being little rain — sometimes, for nine months in the year, not a drop of rain falls and the contaminated dust is drawn in with every breath. I had the opportunity of visiting Santiago in 1894 and of writing a brief description of it; the annual rate of mortality was then 60 per 1000, and, though it has since fallen, it is still about 50 per 1000. These are alarming figures, and perhaps the want of electricity in the atmosphere is the reason, as General Las Heras suggested, that its inhabitants are so apathetic and do not resolve to open their purses for saving the lives of so many unfortunate beings, who are allowed to perish for want of foresight and of the money for pro-

viding sewers and running water, though the means are easily found for making preparations for war. This neglect is inconsistent in a city where the religious sentiment is so deeply rooted and where other works of charity are practised with so much abnegation. The expenses required for sanification would not even involve any sacrifice, for these works are remunerative, as is already the case in Buenos Aires, where, besides saving 14,000 lives every year, compared with the former mortality, they produce a revenue which in a little time will more than cover the interest of the capital invested in them. The « Santiaguinos », among whom I count many sympathetic friends, will pardon me for pointing out these incongruities, as in doing so I am not actuated by the intention of making sarcastic criticisms, but by the desire that the most fundamental precept of love for one's neighbour and the duties imposed by civilization and modern hygiene should be fulfilled.

Santiago, as we have seen, has 261,000 inhabitants; it remains and will remain stationary unless the Chilians arrange for the completion of the Transandine Railway, whereby the distance to Europe would be reduced for them to 10 days, which, in a short time, will suffice for the voyage from Buenos Aires to Cadiz.

Santiago, which does not spend more than \$ 1,024,000 on all the municipal services, and which does not owe more than \$ 611,000, manages the communal interest with Franciscan economy and cannot pretend to provide for all the necessities of modern life, in accordance with the exigencies and prescriptions of hygiene. This is why the death-rate is so high there and why that city, which possesses so many attractions, does not progress as it deserves.

Montevideo figures in the fourth rank as to population, but it is a very attractive city from its situation and its sanitary conditions. A distinguished Chilian, Mr. Carlos Walker Martínez, describes it very well in these few words: «It is not very large and it has not so much commerce as its fortunate rival on the opposite shore, nor can it boast of notable public buildings, but it is very clean, its principal streets are very wide and lively, and it is picturesquely situated on a peninsula which permits the sea to be seen from its streets on all sides ».

The population of Montevideo is 216,000, being double what it was in 1872. The population of Buenos Aires has quadrupled in the same time, for it was 204,000 in that same year and now it is 870,000. The vegetative increase of Montevideo is 10 per 1000, while that of Buénos Aires is

21 per 1000, and the increase of the former by immigration is small, for the balance of the passengers and immigrants who entered and left the port of Montevideo in 1901, comprising the movement of the whole Republic, was not more than 6400 in favor of the country.

Important works are now being carried out in the port which will cost \$ 20,000,000 and will increase the commercial importance of Montevideo. The actual movement, according to the registered tonnage of the ships entering and leaving the port is 9,600,000 tons.

Of the population, 32 % are foreigners, of whom 14 % are Italians, 10 % Spaniards, 3 % French; the English and Germans together do not reach $\frac{3}{4}$ %.

With the port of Buenos Aires there is a movement of 150,000 passengers a year, a figure which will increase when the passage is made more quickly.

The passengers on the tramways reach 20,000,000 (the sixth part of the Buenos Aires traffic). The Post Office receives and despatches 54,000,000 pieces.

There are 76 primary schools with 18,000 inscribed pupils. For bachelors' degrees and Letters 191 study, for mathematics 157, pharmacy and ontology 38, law and social sciences 84, medicine 148, engineering 50.

The inhabitants consume during the year 127,000 cows, steers and calves, 42,400 sheep and lambs and 18,600 pigs.

This city does not spend on its municipal services more than \$ 1,100,000 a year and its public debt is only \$ 4,000,000.

Lima is a city which is awaking from the lethargy in which it has been sunk for so many years. It has had to suffer more than 25 earthquakes. The Chilians took it by assault and civil wars have stained its streets with blood. Pizarro called it «the city of kings» in 1535 and it is the most ancient of the cities of the South-American continent; it had its splendours in other times but now its population is less than that of Rosario. It is situated in longitude $79^{\circ} 27'$ West and Latitude $12^{\circ} 2''$ South.

As has been stated, Lima has a vegetative diminution of $3 \frac{1}{2}$ per 1000 inhabitants per annum and very few immigrants arrive.

The statistics of the city, of which the publication has been commenced, are extremely incomplete, containing an infinity of ill-compiled data, not comprising those of the most interest. It would be well to take the statistics of Buenos Aires as a model. The tables of mortality are those which are treated with the most minuteness and this may influence the adoption

of means for diminishing the high death-rate, which is 42 per 1000.

The total amount of the city expenditure is \$ 475,000 and the debt does not exceed \$670,000. With such scanty resources it is easy to understand that little attention can be given to the most vital necessities of existence or to the means of reducing the mortality of the inhabitants.

The number of passengers on the tramways is 10,600,000.

It appears that a consolatory impulse is being given to works of hygiene and of embellishment which will change the aspect of the city, the architecture of which will always have regard to the contingencies of earthquakes, proceeding with more prudence than the authorities of Mendoza who have not taken warning by the catastrophe which buried thousands of victims but permit lofty houses to be built of masonry and with iron girders. I criticised this carelessness in 1894 and the recent earthquake has been a new warning which I hope will not be disregarded. Armed cement is what is absolutely necessary to be used in cities which are erected on volcanic ground.

La Paz. — Bolivia changes its Capital periodically: sometimes it is Sucre and at others it is La Paz, which is now the seat of Government. Surrounded by mountains, hidden in a

hollow, without means of communication, it has everything to hope from the Railway that Argentina is now constructing, the works of which it is desirable should be pushed forward as rapidly as possible.

Its climate is cold, from its situation, 3694 metres above the level of the sea, and its medium temperature is 10 deg. Centigrade. Its 57,000 inhabitants lead a relatively happy life, isolated from universal civilization, and the rate of mortality is not so very high, being about 25 $\frac{1}{2}$ per 1000 per annum.

The urban properties represent a value of \$ 10,250,000 and the public buildings \$ 1,700,000. The municipal expenses are modest, seeing that they do not exceed \$ 50,000 a year.

The primary schools and normal colleges are attended by 6,860 pupils.

As for viability, a Bolivian synopsis which I have at hand states that the city is united to Lake Titicaca by a railway and to the neighbouring towns by cart-roads, and it terminates with these prophecies, which it is to be hoped may be verified: « La Paz' is at present, considering the immense exuberance of its natural riches, a city of much less importance than it might be in industrial production, in commercial power and in general activity. Its vital forces

have not yet made themselves felt, either as regards the deposits in its auriferous soil, its everlasting forests, its prodigiously fertile lands — immense elements from which should burst torrents of riches and well-being, to transform La Paz into a great American Metropolis ».

Asuncion.—The Capital of Paraguay is situated picturesquely between $50^{\circ} 57'$ longitude W. and $25^{\circ} 16'$ latitude S. on the river Paraguay ; its climate is hot, necessitating much sleep, and the city is unhealthy, not so much on account of the heat as from the non-observance of the prescriptions of hygiene. Life has not many exigencies ; the people feed themselves upon mandioc and oranges and the services are cheap. The poorer class of people live as in patriarchal times : the man rests, his wife boils the mandioc and the children swing in the hammocks.

The former Capital of all the Spanish states of the River Plate was founded by Ayolas in 1536, earlier than Buenos Aires, and it has at present, apparently, about 60,000 inhabitants. The census of 1895 gave it 45,000. Previously to the war which the dictator Lopez declared against Brazil, Uruguay and Argentina, it had 48,000, but afterwards it was reduced to 26,000.

Its exact vegetative augmentation cannot be known because neither the births nor the deaths

are registered with exactitude. Persons of credibility who have resided there for several years certify that in most cases the deaths are not registered, and this must be so, seeing that if the number of 992 recorded in 1902 was correct the death rate would be only $16 \frac{1}{2}$ per 1000, or almost the same as that of Buenos Aires.

The number of births registered in the same year was 1438, which would give a rate of 23.9 per 1000 of the population. If we applied the proportionality of Buenos Aires, that rate would not correspond with a population of more than 40,000.

The municipal expenses did not exceed \$ 68,000 in 1902, but there was a deficit of \$ 10,000 ; for 1903 the estimate was \$ 86,000. These are no more than village expenses and it may be understood that in this way the houses cannot have even the convenience of a service of running water, though the city fronts on an enormous volume of water, and the tropical heat makes frequent baths during the day necessary.

The city has a good bacteriological establishment, in charge of a distinguished pupil of Pasteur, and it is intended to endeavour to extirpate the bubonic plague which is so easily acclimatized there.

The sanification of the city would be easy, and

when it has been realized there will be a great affluence of foreigners in the winter, provided, also, that the time, now six days, occupied in the voyage from Buenos Aires be reduced. Another element of progress for this city will be the extension of the railway, to Posadas and from Villa Rica to Villa Encarnacion, for which works an arrangement ought to be made between the Paraguayan and Argentine Governments, as they would be of enormous benefit to Asuncion and would also be very advantageous to Argentina.

When the railways have been perfected in Brazil, Asuncion will, perhaps find it more advantageous to establish communications with Europe and the United States by way of Paranagua, which is in the same latitude, and is situated at a less distance than Buenos Aires.

The commerce of Asuncion with Buenos Aires is, for exportation, about \$ 1,500,000, which represents 60 % of all the exports of Paraguay.

CHAPTER XXXVIII

Retrospective Condensation

I am conscious that the 37 preceding chapters, presented in a form for easy reading do not treat so deeply and amply all the questions which they touch as the themes which they involve render possible, but as in these days we live in such a state of hurry that there is no time to read more than the newspapers, and in these the attention is concentrated especially on the telegrams and social life, perhaps the reading of this work may be made more tolerable by my having in general only stated facts, leaving every one to draw the deductions according to his own judgment.

In some cases, I might have said much more and in others deficiencies will be noted which I ought to have prevented, but everything needs a beginning, and, if not I myself, others may make use of these studies in order to complete them at a future time.

Perhaps some may characterize these ideas as Utopian, if not absurd, but it is known that the

world owes its progress more to the fools than to the heroes.

The details set forth, the comparisons between the productions and the consumption of all these countries, the progress and the decadence of their industries, the demonstration that none of them has antagonistic interests in its exports, the evidence that each one can be a complement to every other, by making use of those articles which the neighbour is capable of producing with greater economy, convince us that they ought to seek for means of going resolutely to the interchange of their respective productions and to suppress the import duties which they now impose upon them. Cheap living is the only thing that can realize the idea of deriving the greatest possible benefit with the least amount of effort.

The initiative should be taken by Argentina, which with wheat and flour, meat, wool and hides can give most of the neighbouring countries very powerful assistance in the development of mining industries and the exploitation of tropical products and thus augment her own riches and well-being. Argentina, preponderant in her productions, with the progressive development of her natural industries, which, before long, will be only cattle-raising and agriculture, and which will very soon acquire enormous and surprising proportions, has to place

herself at the head of this movement of South-American confraternity, which ought to be converted into practical facts.

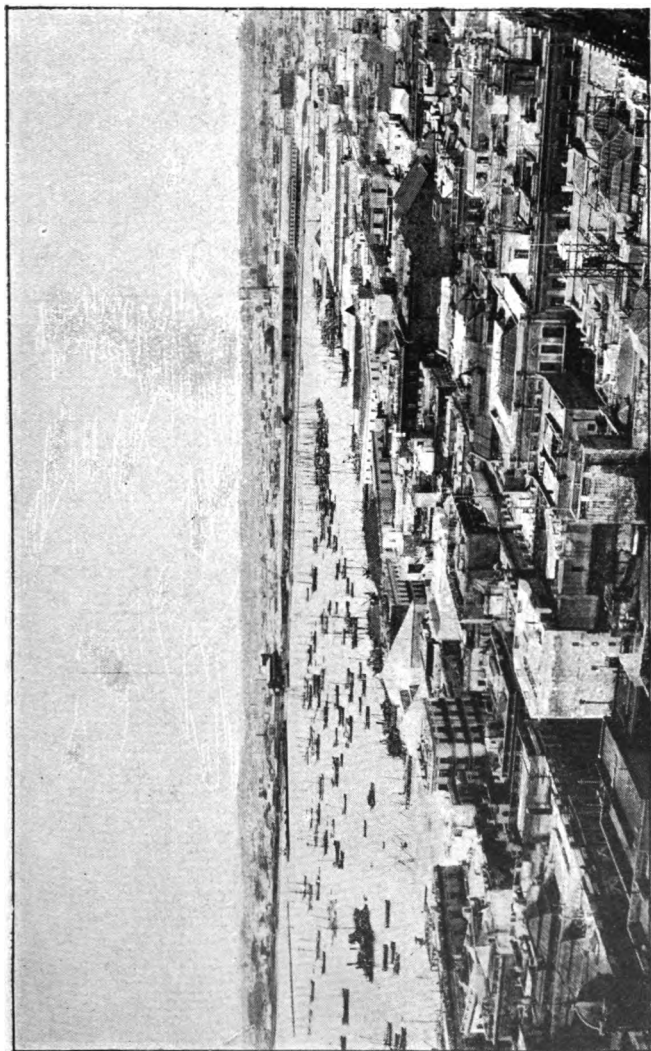
These countries have pursued an unconscious political economy with disastrous results. They have wished to copy the countries of economic maturity, where the excess of population and the struggle for existence keep most of the peoples in a state of poverty which often reduces the masses to starvation and destitution, compelling them to have recourse to Protection, not as a policy but as a remedy, with the consequent disasters which such expedients produce for the future in overcoming momentary difficulties. Countries sparsely populated, with uncultivated soil, many of them with extraordinarily invigorating climates, without enough labourers to exploit their natural riches, kept down by ignorance and obliged to import labour, capital and technical instructors from abroad, have given unmeasured and inconsiderate protection, not to their industries, not to those which gave life, prosperity and wealth: that is to say, to those which are capable of producing exports, but to those which prevent the importation from abroad of what might have been obtained at low prices. These industries have served, on the contrary, to make dearer the production of the former and also to make dear

the necessities of life of the consumer and the tax-payer, and at the same time have tended to cause a relative depopulation, seeing that in the last few years as many persons of the immigrant class have left this country as those who have entered it. My ideas are not so intransigent as to induce me to wish for the persecution of industries such as those of wine and sugar, which already constitute the system of life of various provinces; it will, however, become necessary to seek the means of making them prosper by facilitating loans at low rates of interest and by punishing adulteration and protecting the health of consumers without imposing unjust burdens upon the taxpayers.

The president of the Argentine Industrial Union pronounced, at the reception of the Chilean delegates, these significant words: «Tell them that our most ardent desire is to see them prosperous and happy» (and, he might have added: «our convenience also», because they are consumers of our products).

.....
«Tell them that one of our greatest aspirations
« is to *invade the Chilean Republic with products of*
« *our industries in exchange for the produce of that*
« *rich soil and for their manufactures.*

« It is necessary that to the communion of ideas



MONTVIDEO — Panorama of the city

« should be united the communion of interests ».

Captain Luis Artigas, of the Chilian Navy, replied: « That vivifying wave ought not to find
« any obstacle in its way. *The Andes ought to*
« *disappear*. The products of the soil and of
« Argentine industry, impelled by the impetuous
« current, ought to seek naturally its outlet to the
« Pacific, producing an interchange and promoting
« commerce for the benefit of both countries ;
« those bonds are worth for the peace, union and
« prosperity of the peoples as much as and per-
« haps more than the treaties which the Govern-
« ments have concerted and which the peoples
« have consecrated and ratified with palpitations of
« pleasure which certainly have antecedents in
« history.

« This is the moment, gentlemen, for reviving
« the clauses of the treaty of 1856, which, by de-
« claring to the world that a perpetual peace
« should exist between Chile and the Argentine
« Republic, *suppressed the Cordillera of the Andes*
« *in order to establish the free exchange of the pro-*
« *ducts of the two countries.*

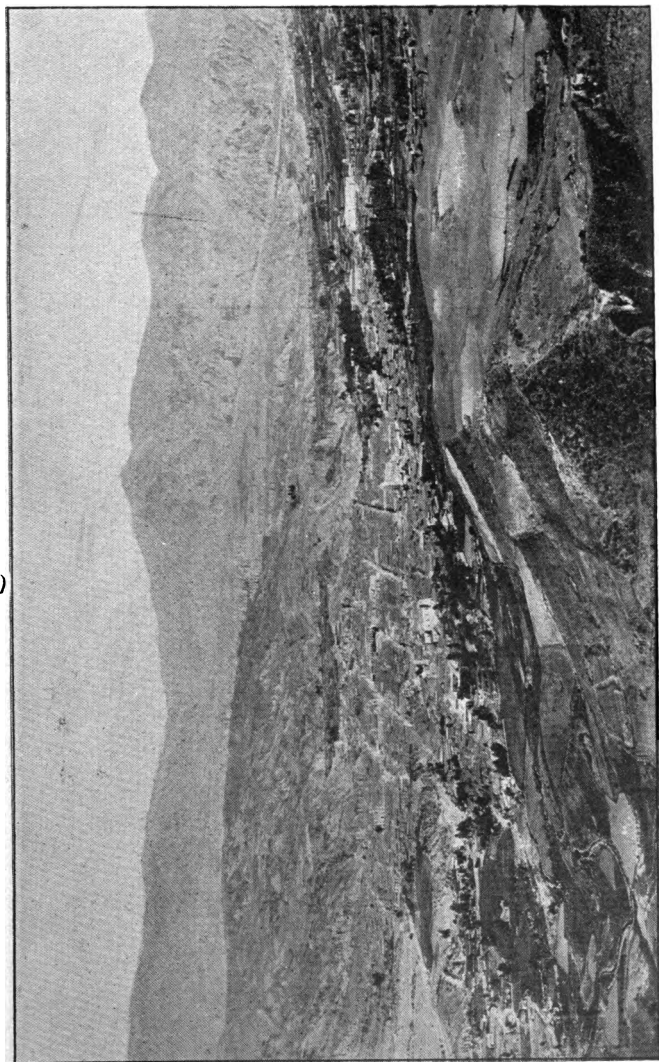
« Modern States cannot confine themselves be-
« tween Chinese walls ; their life is the exchange
« of ideas, of services, of products. This is the
« direction of modern policy ».

I record these reciprocal promises with the

highest satisfaction and as a triumph of the justice, of the civilization and of the harmony which ought to exist among all peoples. Even though it is a condition peculiar to the Spanish-American race, and perhaps to all races, to be more prolific in words than in deeds, I hope that, this time, the light will invade all intelligences and that the conveniences of the community will be placed above those of a small number of persons and interests.

The time will come when people will live on truth, on loyalty and on honour and not on deception, favouritism and error, when they will study the interests of the many, of the poor, and not exclusively those of the few, the fortunate ones, who heaping up riches upon riches, seizing upon the money of the poor and availing themselves of the work of the destitute, live in opulence and waste, while the poor cannot gain enough for the support and education of their children.

If these ideas should be realized and be carried into effect with loyalty and uprightness, we who are in the last decade of life and have striven perseveringly and in spite of bitter deceptions for the triumph of such noble principles will be able to die with the satisfaction of knowing that our passage through the world has not been



BOLIVIA — LA PAZ — Panorama of the city

sterile for the common good and for the progress of our country.

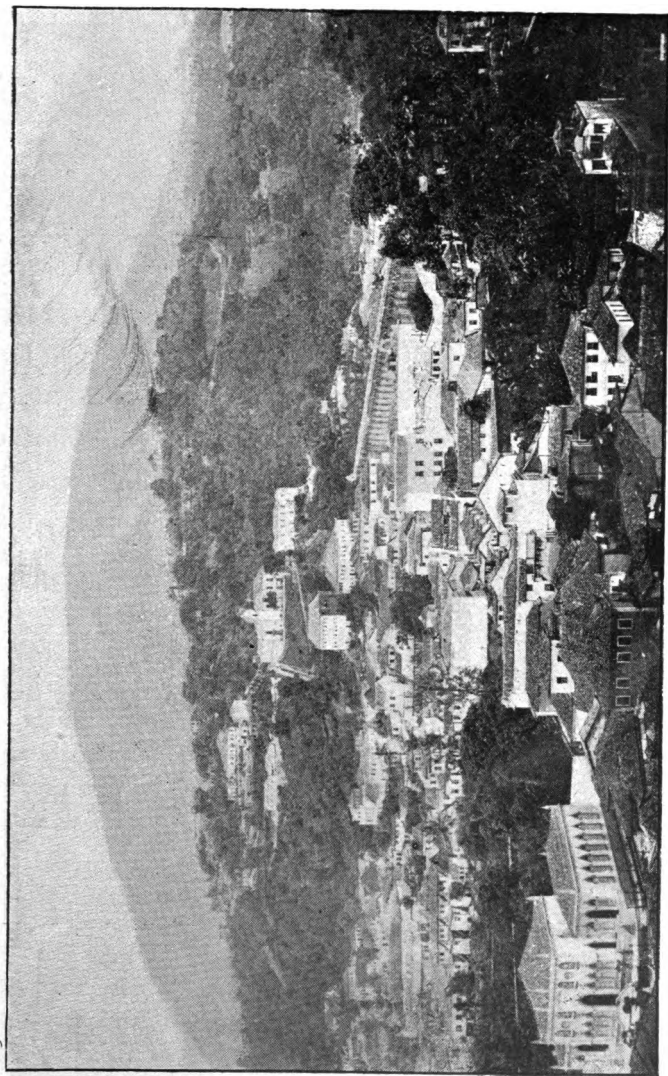
I cannot but quote the following words of Novicow which are directed to the same object :

« We have been so long habituated to the in-
« conveniences occasioned by the Custom-house
« that it is almost impossible for us to imagine
« the enjoyment that would be experienced if this
« odious institution were abolished. Great gods!
« One would be able to live without giving money
« to producers so much the more protected as
« they are more greedy and unscrupulous. One
« would be able to live without paying a prem-
« mium to incapacity, to indolence and to disho-
« nesty! Every one would be able to benefit to
« the full by his labour! Moreover, the best
« planned undertakings would not be ruined by
« the incessant and capricious variations of the
« tariffs. What a supreme satisfaction! What
« ineffable delight! Ah! if that blessed moment
« should come it would give to commerce an ex-
« tension of which it is difficult for us now to form
« any idea! ».

These are the same ideas that I sustained before the Customs - duties Congress of Antwerp in 1894, in which I represented Argentina.

In 1896, I said, in a paper on the «suppression of the custom-houses»: « As a general rule,

those who manage the public finances suffer, after a certain time, from an absorbing fiscal spirit, which prevents them from keeping within the sphere of equity, and they insensibly lose the notion of what is just. They do not venture to launch themselves on the healthy road of correct innovations, for fear of being mistaken, and nearly always they are dominated by the pressing difficulties besetting them; little do they concern themselves with establishing taxes harmoniously distributed and easily borne by those whom they govern; they need money and they have recourse to what will most easily and rapidly provide them with the largest resources, the immediate satisfactory result being what most pleases them».



RIO JANEIRO — Panorama of the city

CHAPTER XXXIX

South-American Confraternity

CONCLUSION

If European federation, the solidarity of nations among themselves, effected in the manner in which it has been established between some regions formerly antagonistic, if the reign of justice and right in international relations, without the nightmare of the slaughter of human beings and with relief from the heavy burden of military expenses; — if these and other new aspirations begin to take defined forms in Europe and are no longer simple chimeras, but legitimate hopes — it may be asserted, conscientiously, that all this is more exact, more real and more feasible in this part of the world.

It is impossible to ignore the fact that a generous current of humanitarian ideas has been accentuated in the dawn of the XXth. century. Peace is a possible ideal and strongly desired, not only by the peoples and the thinkers but also by the Governments, notwithstanding the persistence

of the latter in their traditional prejudices and in their foolish preparations for war which all suppose to be defensive. The *European patriotism* is foreseen and hoped for by a not depreciable nucleus of intellectual men, and Socialism, consciously or unconsciously, has it inscribed on its programme, as much as or more than its social claims and its disquieting utopias. Something more grand, more fraternal, more *human* is shadowed forth in the future of the peoples ; the old national virtues of warlike and hostile tendencies appear destined to evolutionize and to acquire new and pacific forms.

If in any part of the world the advent of these great transformations of the human society may be hoped to be approaching, it is on the American continent, and if any country can initiate on it the great liberating crusade against old prejudices it is the Argentine Republic. America is free from the hatreds and jealousies which have caused on the European continent long ages of wars and national spoliations and the incarnate competition of their riches and their industries. *American patriotism* is not an idea in course of formation which requires to penetrate into the conscience of the peoples ; it is a real and existent sentiment of long date. Therefore, the American political and economic solidarity is more practically possible,

more near, than the European. Without signifying an idea of hostility against Europe, American confraternity is a sentiment entertained independently of reasoning, and even of international ill-will, by the majority of Americans. As an almost unanimous sentiment, it is, then, more efficacious and carries in itself, with more force, the germ of great transformations than a reasoned idea, for the world has been governed more by sentiment than by reason.

The Monroe doctrine, accepted up to a certain point by the American nations, and the numerous Pan-American Congresses, which, though of doubtful practical results, obey a clearly-marked tendency, affirm the solidarity; the Congress of Montevideo, in which the very countries studied in this book took part, with its practical results in reference to private international law; the opinions of innumerable publicists, among whom some illustrious thinkers might be mentioned; the treaties of arbitration between the Argentine Republic and some other American nations,—all these facts, and many others that escape us, constitute a proof of the truth formulated.

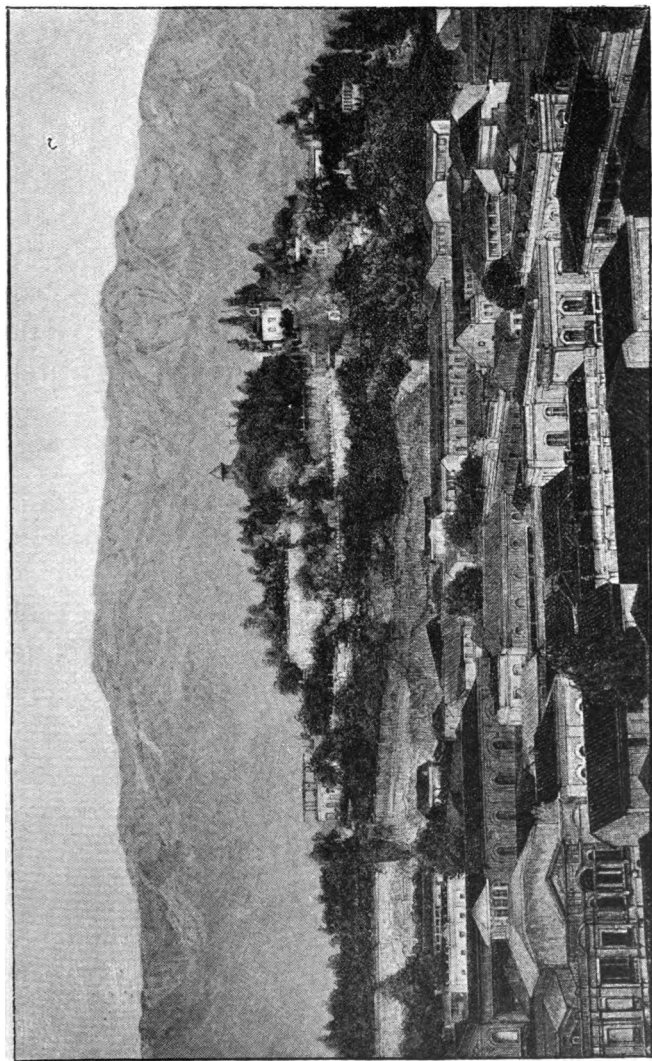
The means of attaining it, of preparing the constitution of the American family, ensuring peace and justice for ever, anticipating, therefore, the great future evolution of the civilized world, are

neither so chimerical nor so far off as might be thought.

The political alliance of Argentina, Chile and Brazil is floating in the ambient; it is neither impossible nor difficult. Still less so would it be to draw the other neighbouring countries into such an alliance.

The definitive establishing of obligatory arbitration, without restrictions which might destroy its efficacy, would complement and guarantee the South-American alliance, which would be purely defensive and which, far from augmenting the military expenses of every nation, would diminish them, as we shall see farther on. If the suppression of customs duties among the confederated countries is impossible for the moment, a series of treaties which would reduce them to the possible minimum and an agreement to impose equal duties upon foreign articles would remove every motive for rancour and friction.

The unification of the civil and commercial law, which is the aspiration of a great juridical school, is feasible in America: the laws are taken, more or less, from the same sources; what they have of a local character is similar, since it responds to an almost identical social development. The work, then, of the Montevideo Congress might be amplified in such a form as to astonish Europe,



CHILE — SANTIAGO — PANORAMA OF THE CITY

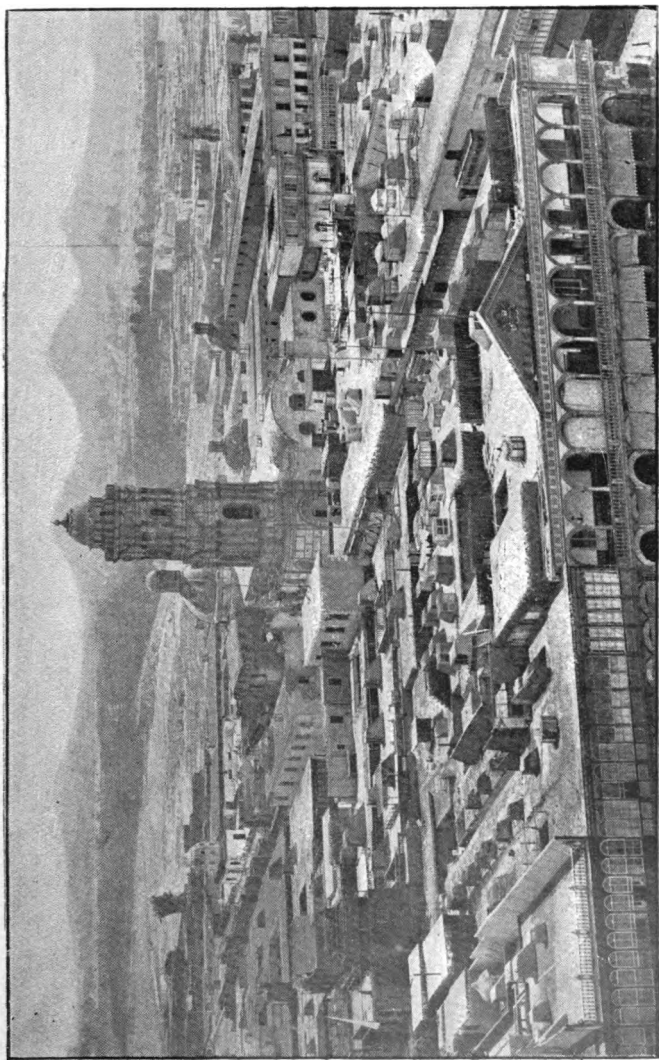
and this without any great effort. * A loyal agreement, upon true scientific bases, in sanitary questions, would complete this work of good faith and progress, of which the only difficulty consists in its initiation, which would be brilliantly crowned by the common progress and development of the railways, of the canalization of the rivers, of the telegraphs and post-offices, and by the increase, which would be incalculable, of the reciprocal riches of the nations interested. I will amplify these propositions :

Railways.—To extend the railways, to canalize the rivers, to unite several of them, and to arrange for the system of Argentine railways to extend from the strait of Magellan to Pernambuco, passing through Montevideo and Rio, and also through Sucre and Cuzco to Lima and Callao or Mollendo and uniting Asuncion with Posadas, is a problem which these Republics might solve with facility and from which they would derive enormous advantages, they and the whole civilized world.

Thus, rapid steamers might make the voyage from Pernambuco to Cadiz in six or seven days, and in three days from Callao or Mollendo to Ayutla, on the frontier of Guatemala, whence a train would take passengers to New York in seven days.

These projects appear to be fanciful, but they are not so. Fifty years ago, a Yankee, who still lives in Washington, offered a prize of \$ 5000 for the best plan for uniting North and South America by railway. In 1890, Mr. Blaine, the United States Secretary of State, formulated the same scheme. The United States Congress voted \$ 300,000 for measurements, which were effected, and the Congress of Mexico adopted the idea enthusiastically. At the present time, Mr. Carnegie is paying the expenses of the commissioner Mr. Charles M. Pepper, who has already visited Chile and Argentina and is on his way to Bolivia, Peru, Ecuador and Columbia. This grand conception is feasible. Argentina is interested in being united with Bolivia and is already constructing a line for that purpose ; Bolivia is interested in a union with Peru, Peru with Ecuador, and Ecuador with Columbia, thus reaching the Isthmus of Panama. Mexico is extending its lines to Guatemala, and only Honduras and Nicaragua remain, with relatively short distances.

Mr. Carnegie has undertaken to raise the \$ 200,000,000 gold which would be required for constructing the 8000 kilometres to unite the lines existing in America. There would then be united the Strait of Magellan with Bahia Blanca or Valdivia ; Buenos Aires, Santiago and Rio Janeiro



LIMA — Panorama of the city

with Cuzco ; Cuzco with Panama, Nicaragua, Ayutla, Mexico and New York, and Mexico with San Francisco and the railway that is being constructed to Alaska. At Alaska the Behring Strait would be crossed, and thence, by the Trans-Siberian railway, we should arrive in Paris, and by the Russian lines, which would be united with the Asiatic and with those of Arabia, Cairo might be reached, and afterwards the Cape of Good Hope by the connecting lines which England is constructing.

Seventeen days would, however, be needed, with a velocity of 40 kilometres an hour, travelling day and night, to arrive at New York, in a journey of 16,000 kilometres. From Cuzco to Panama, regions would be crossed more elevated than the clouds and the rarefaction of the air would compel the passengers to rest in order to support it.

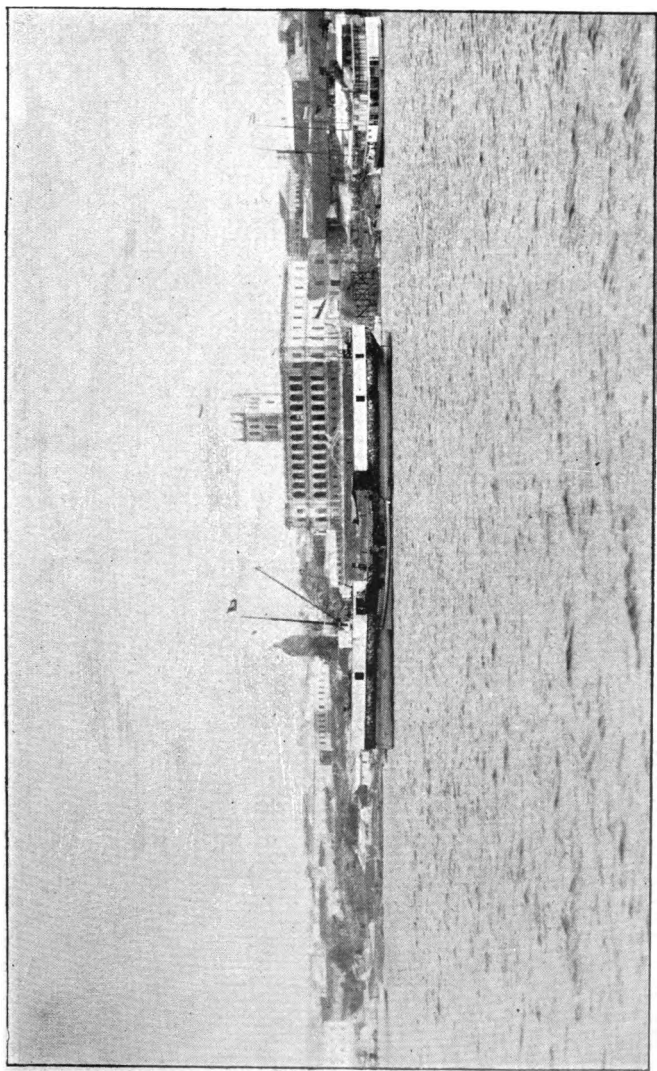
I have no doubt that the project will be realised ; there is no technical impediment in its way, and, as for the cost, it only represents what Chile and Argentina have just spent in order to avoid a war. Besides, what matters this sum for the great Republic which has invested in its railways 12,000 millions of dollars gold ?

The American countries have the following railways in exploitation :

Canada.....	29,193	kilometres
United States.....	320,000	»
Mexico	16,600	»
Guatemala	640	»
Honduras.....	92	»
Nicaragua	140	»
Columbia.....	605	»
Ecuador.....	96	»
Venezuela	852	»
The Guianas.....	552	»
Brazil	14,030	»
Peru	2,224	»
Bolivia	1,055	»
Argentina.....	16,582	»
Chile	4,643	»
Uruguay	1,944	»
Paraguay.....	247	»
<hr/>		
		409,495 kilometres

As the United States possess 75 per cent of the railways of the whole continent, and Canada, Mexico, Argentina and Brazil follow it in importance, the solution of the problem of the Pan-American Railway is easy for the great colossus of the North, on account not only of its wealth and importance, but of its being the nation which would derive the greatest advantage from the construction of the railway.

Fluvial Communications. — Fluvial communication is not less important than railways for the



ASUNCION — View from the Port

South-American continent. Through all parts of it, great arteries — some of them the greatest in the world, such as the Plata and the Amazon — offer means of cheap communication, of which the rapidity will increase when the system of turbines is adopted for the steamers which pass along them.

The river Paraguay can be united by the Diamantino with the Arinos which flows into the Tapajoz, and the latter with the Madeira which empties itself into the Amazon. Communication may also be made by the Itenez and Guaporé. Naturally, the hydraulic works would be somewhat complicated, but not impossible, the lock-system being necessary at some points, where there are opposing currents. It would be an enviable fact, and immensely satisfactory for the South-Americans, that from Buenos Aires or Montevideo, that is to say from Lat. 33, it had become possible to navigate through the centre of the South-American continent so far as Ecuador, while contemplating the most attractive panoramas of Nature and the most exuberant vegetation of the different climates.

The other great rivers of South America, such as the Paraná, the Uruguay, the Upper Paraná, the Pilcomayo, the Bermejo, the Neuquen, the Limay, the Rio Negro, the Bio-Bio and so many

others, dredged and cleared of the snags which obstruct navigation, would be arteries of riches which would serve to make the happiness of more than five hundred millions of human beings.

These works, apparently of enormous cost and the execution of which would require a considerably long time, are not impossible. Provisionally, the financial difficulty might be easily overcome. These countries spend altogether on their armies and navies (being mostly tributaries of the foreign war-industries) nearly \$ 38,000,000 a year. If they were to reduce their expenses by one-half, which would be easy after having constituted themselves in accordance with the bases suggested, they would be able to dispose of \$ 19,000,000, which would be sufficient for the service of a loan of \$ 380,000,000, at 4 % interest and 1 % amortization. The works of common utility which might be executed with this enormous sum would produce an interest equal to that which would be paid for it and only nominally would it be necessary to reckon upon the sums that would be saved from the respective budgets in the military and naval departments. Perhaps the idea of this positive project of South-American confraternity is too grand for realization in a little time, but it is just, and its utility is evident.

Though, at present, the isolated effort may

be sterile in results, and from circumstances or from the want of initiative may be actually chimerical, future generations will convert it into a beautiful reality.

Telegraphs and tariffs.—The improvement of the telegraph lines is a problem of very easy solution with the great discoveries of Marconi, Bell and Ruhmer. The reduction of the tariffs is no more than a means of increasing the receipts, promoting commerce and industry in all directions and normalizing the value of commodities. Perhaps a single administration, with the intervention of every country and the proportionate distribution of the proceeds and contribution to the deficits, would be the quickest and most practical mode of attaining the desired object.

Ocean Navigation.—To nothing do I attribute a greater importance than to the promotion of ocean navigation, with rapid and commodious steamers. Modern progress now requires steamers of 23 knots and in a few years they will be replaced by steamers of 30 knots. The reduction by one half of the time of the voyage from Europe to the United States and to South America would suppress the waste of time of 250,000 or 300,000 persons who are travelling, on the average, for ten days a year, and would save in interest nearly 1000 millions of gold

dollars on the merchandise which comes and goes and as much on the drafts and securities for money which are used for interchange.

All the Governments grant subsidies to lines of steamers, but not so effectually as they ought to do; among them are Great Britain, Germany, France, Italy, Spain, Brazil and Chile; Canada has just offered £ 1,000,000 to the Company which will establish a line of steamers of 25 knots. This part of America may be content with steamers of 20 knots, seeing that at present the most rapid do not exceed 14 knots. It is a question of payment by the Governments for the additional coal which would have to be consumed for attaining the greater velocity, and this might be done, without expense for the Treasury, by imposing a small tax on every passenger who leaves the country. A proposal is pending before the Argentine Congress in this sense and if Government were to call for tenders for such a service it would certainly receive various proposals from companies of good standing.

It is needless to add that the diminution of the time of the passage would increase the number of travellers, as well of those who travel for pleasure as of the capitalists who seek for opportunities of employing their energy, by contributing to the greater commercial and industrial develop-

ment of these still virgin countries, which have considerable riches unexploited.

Free Interchange.—The interchange of the products of these countries is imposed by the cheapness of living, in the first place, and by the fact that their productions are not precisely antagonistic, seeing that the climates, the conditions of the soil and the methods of production are different. By lowering prices in each one of the markets, consumption would be increased and the producers and consumers would be reciprocally benefited. The revenue which every State might lose by the adoption of this system could be easily replaced by other inland taxes and by economies which the very liberty of commerce would bring with it.

Above all, it is convenient that the countries should not tax the articles that go out from them, the exportation of which ought to be facilitated, instead, as is done at present, of granting bounties to some while others are heavily burdened with imposts.

Customs duties.—Their unification.—The uniformity of customs duties would bring the advantage of an easy transit commerce for foreign merchandise and even the return of duties already paid might be admitted. The levying of the duties according to the value of the merchandise would be beneficial to the poorer classes, who

today, because of the specific duties, pay progressively more for ordinary merchandise than for that of fine quality, thus reversing the moral principle of the descending tax, which is made always proportionately less for the poor than for the rich. The man without fortune but burdened with children, forming elements for the work and for the defence of the country, is charged with specific duties and those of capitalization, in an overwhelming proportion with relation to those which are paid by the rich. It is not surprising that, as the ruling principle in the whole world is to seek for the tax which it is most easy to obtain without regard to justice and distributive harmony, the socialistic sentiment which pursues the ideal of liberty and confraternity should acquire revolutionary proportions.

Some persons, in order to justify the specific duty, rely upon European examples, forgetting that, there, the import duties are not the principal sources of revenue, as they are in South-American countries, (with the exception, perhaps, of Chile), where all articles for consumption which are imported are subject to duties almost oppressive. The solution of this problem would be not only an economic and political question of the greatest transcendancy, but also a work of humanity and charity.

In correcting the proofs of this work I see that the prognostic has been realised which I formulated in treating of the internal taxes on sugar and of the coercive measures adopted by the Government of Tucuman to limit the plantations of sugar-cane by fining those which exceeded a given number of hectareas. The Argentine Supreme Court, with elevated juridical and philosophical conception, has just declared the law to be unconstitutional and has ordered the Government to return to the persons prejudiced the amount of the differential tax which was received from them in respect of the excess of canes which they planted on their own land. It is a just resolution and such as is appropriate to a republican country, where there is no need of tutelary Governments which want to meddle with internal business matters and with individual conveniences, when there are so many other problems of more general interest for them to solve. Among them we might mention those which relate to the public health, so that the high mortality of that province might be diminished.

Let us hope that at some time the turn of the customs duties will come, for, as I have already demonstrated, there are many of them which might be objected to as unconstitutional.

South-American Military Organization. —The

only militarized nations, and this is owing to the recent fear of war between them, are Argentina and Chile.

Argentina has 500,000 men enrolled and Chile 400,000. The enrolment of Brazil is not known, and of Peru, Bolivia, Paraguay and Uruguay there are no precise data.

Accepting, however, the proportion of Argentina, which is, more or less, that of all the nations, these countries might have a fighting force of 3,000,000 of men, in their armies of the line and the reserves. The details will be found in the schedule on pages 86 to 89.

The forces of the first line are composed of 75,000 men and with those of the reserve they will probably be 700,000 men. As will have been seen, Chile, notwithstanding that she has a smaller population than Argentina, appears with 30,000 men more than the latter. Chile and Argentina can present 200,000 men who have passed through the ranks and who have received a satisfactory military education.

As regards fleets, Argentina and Chile are the only South-American nations that have them organized — and this as well as the best that exist, with a few good and powerful ships. Brazil comes next, with very deficient material, and none of the other countries has a fleet.

The three countries mentioned possess, together, as will have been seen, 128 ships, with a displacement of 176,398 tons, 378,000 horse-power, 1,153 guns, 218 torpedo tubes and crews of 19,000 men. These fleets combined are inferior to the fleet of the United States, which is the fifth in rank of the world, and which, with the ships in course of construction has a strength of 151 ships with 1,010,000 horse-power, 1,258 guns, 194 torpedo tubes and crews of 34,000 men. The speeches and statements of President Roosevelt lead to the supposition that very soon the United States fleet will be superior to the German and will be placed in the third category.

It is evident that these countries would have to expend an extraordinary amount of money to be able to counterbalance the power of any of the European fleets or of the North-American. Therefore, to ensure their independence and to be able to resist any aggression or intervention, the idea of strengthening their squadrons ought to be completely abandoned and to be concreted to the defence of their ports and coasts and to the constant improvement of their schools and the military education of their militias.

The naval schools for gun corporals and sailors and engineers ought to occupy the serious attention of all the Governments in order to form a

sufficient number of technical officers and personnel of the first class and to be prepared for the future.

It is undeniable that the obligatory service has its advantages and that it is a resource for the Governments whose revenues are insufficient for the payment of good volunteers. The system followed by Argentina and Chile does not permit them to give instruction to all the men of the class of 20 years and they draw only one-half of them.

The example ought not, however, to be depreciated that is afforded by the United States, England and Switzerland, whose armies are organized by means of voluntary enlistment and the instruction of their militias, and which maintain in all its integrity the defence of their country by spontaneous service, even the military instruction being paid for by the citizens themselves. England has the best navy in the world, without having recourse to obligatory service; the United States have conquered old nations, in which the military service predominated, with inferior forces, and Switzerland, by instructing all its class of 20 years for two months and making rifle-shooting obligatory upon every citizen, has today an army of 150,000 men of the *élite* and 370,000 in the Landwehr and Landsturm, all with sufficient military preparation for tenacious defence. The results

attained by Chile and Argentina from obligatory service are commendable, but their armies do not excel the Swiss army, nor are their navies in instruction superior to the English and North-American. The success achieved is owing to the education of their officers, to their schools, to the residence of their officers in Europe and to the importation of foreign masters.

The recent Anglo-Boer war has shewn us how 25,000 Boer riflemen were able to oppose resistance, for a long period, to an army of 250,000 men and to a rich, great and powerful nation. It also demonstrated that 300 men could kill or wound 250 opponents and take 500 prisoners.

In Argentina there are already more than 200 rifle-shooting grounds, with 25,000 marksmen inscribed, and the extension of this movement may serve as an example to the other neighbouring nations.

This system would permit in all the countries the reduction of military and naval expenses and would provide sufficient fighting forces. The sport of rifle-shooting will make all the inhabitants stronger and more agile and will cause them to acquire habits of association and to occupy their time in manly and hygienic exercises in the open air.

Weapons of War.—Their uniformity. — As a

consequence of union and for the purpose of securing a more rapid action among all these nations, so that they may give each other immediate and efficacious assistance, the calibre of their fire-arms ought to be made uniform. In this manner, in case of necessity, the ammunition required would be utilizable by any of them and they might also arrive in time at the centralization of their arsenals, foundries for cannons and rifles being established in those countries which possessed the best elements for them. Mixed scientific commissions might study all the changes made in armaments and decide upon those most suitable for adoption, having regard to the nature of the ground of the respective countries, and their capacity for provisioning their forces, their elements of mobilization, &c.

If Congresses assemble for economic, sanitary, medical, postal, scientific and arbitral objects, I do not see why mixed commissions could not act for studying the progress of arms and recommending, even though they did not impose, the reciprocal reforms which it might be convenient to introduce.

Attention ought to be specially directed to the instruction and discipline of the personnel. Germany has not a larger number of ships and none of better quality, perhaps, than England and

France, but the critics of both these nations acknowledge that the naval power of Germany is formidable, from the ability of its commanders, officers and sailors, from their excellent training in gunnery and their remarkable discipline and from the surprising organization of the navy for rapid mobilization.

Tactical Regulations.—The unity of the tactical regulations for the instruction and manœuvres of troops is indispensable as a means of unity of defence especially in this part of America, where some copy the Germans, others the French or Italians, while not a few are subject to improvisations and violations of existing tactics by those who act under the impression of their own inspirations.

Monetary Unity.—The establishing of uniform money all over South America would represent one of the most extraordinary conveniences for interchange. The reduction of the unit to the franc would be one of the most prudent and humane measures by tending to reduce the cost of living and to prevent waste. Every one who has travelled has been able to perceive that a Bolivian silver dollar is spent almost the same as a Chilean paper dollar, a Peruvian silver sol, a Paraguayan or Argentine paper dollar, an Oriental gold dollar, two thousand reis in paper, a franc, a

shilling, a lira, a peseta, a mark, a florin or a rouble. The suppression of the inconvertibility of paper money, which, *de facto*, is effected in Argentina, and which Chile, Brazil and Paraguay are endeavouring to accomplish, signifies the entering upon the road of financial correctness, so that the money which all civilized peoples have definitively adopted may have the necessary stability. Paper money may be, as I have previously said, a remedy for the infirm situation of a country, but never the ordinary system for the commercial movement of a nation. Inconvertible paper money disturbs all the economic functions of a country and its first result is to make the loans of money dearer, and thus it is seen that, while the interest on mortgages varies in Australia and the United States between 5 and 6 per cent, in South America it fluctuates between 9 and 12 per cent. All who work with capital obtained at these high rates of interest become in a short time the victims of usury, because there is no industry which can support them, and, as a consequence, the debtor is ruined and often drags his creditor down with him.

There can be no other sound money than that which is based upon a gold standard.

The writer of this book has been able to appreciate all the ignoble work and the loss of time oc-

casioned by having to compare and analyse budgets and statistics which every country presents in its own paper money. If statistics are made in order that they may be appreciated abroad it is indispensable that they should be prepared in gold money and in this respect the Argentine statistics might serve as a model, for in their details as in the opportuneness of their publication, in monthly bulletins, they may be considered to be on a level with the most perfect of Europe or North America.

I conclude this book—written in the few leisure moments allowed me by my daily labours — with something, perhaps, of the discouragement which is produced by a sincere effort and a high aspiration which are known or suspected to be of no avail. Self-esteem, national vanity, false patriotism, superficiality, irony and the little inclination of the South-American to approach serious problems resolutely and with persistence, will prevent the early realization of the great transformations which already are announced for a remote future. But, at any rate, with the tenacious hope of all optimists, I shall have lived in a dream which I believe to be great and noble and the consolation remains with me of thinking

that no effort, isolated and weak as it may be, is lost in the great mass of human forces.

The grand work of American union, the suppression of the national frontiers, in respect of what is odious and prejudicial, without effacing the distinctive life of the peoples, or their character or patriotism, would assure for always their independence and the prosperity of America, which would be the Land of Promise for the excess of population of the exhausted or saturated countries of Europe. The liberty of work would dignify men and would augment their well-being and riches.

A vigorous race, trained in the management of arms, educated, respectful of the rights of others and jealous of their own, would be a model of virtue and energy, which would fulfil the aspirations of independent characters, of all those who believe that ability is a means of stimulating progress and the improvement of all things. Foreign arts, when they excel one's own, ought not to be persecuted or proscribed, any more than science can be, but they should serve as a stimulus and example to sharpen ingenuity in order to equal or surpass them.

The freedom of commerce favours the development of the natural industries of every country and the Governments have no other rôle than that of

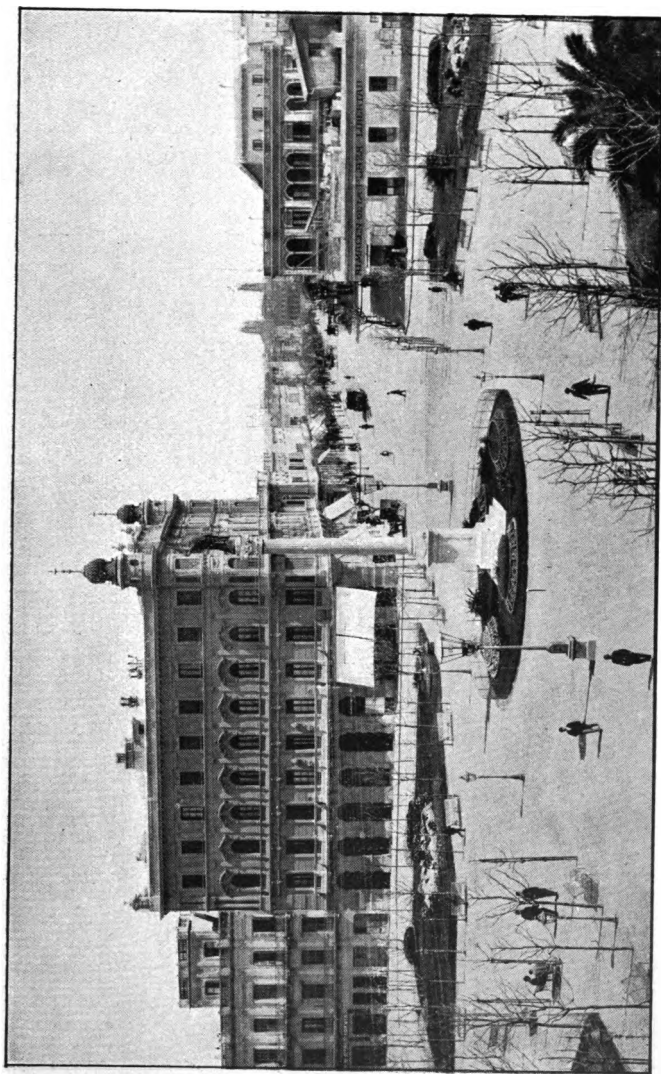
assisting them with easy means of transport, with technical schools for perfecting the knowledge of the workmen, with the lowering of the rates of interest for the loan of money, with security for savings, with morality in the Administrations, with the equitable distribution of taxation, and with the absolute guarantee of the public peace, so as to form an energetic people, conscious and jealous of its power for securing the respect and consideration of all foreign nations.

The programmes here suggested may lead us to a new and more perfect life for the well-being of all this immense zone of free America, provided that the village prejudices, which still predominate, as the fruit of deficient culture, can be overcome. If in the North eighty millions of men, who receive annually nearly a million foreigners, with 45 confederated States, extending from the Atlantic to the Pacific, each of them with distinct constitution and laws, some with antagonistic economic interests, have been able to constitute a formidable nation enormously rich, considerably educated, exceptionally vigorous and enterprising, why should not all the States of the South, without constituting a single nation, be able to harmonize their civil, political and economic legislation and their military organization and to establish perfect relations with each other, which at

a given moment might be converted into an offensive and defensive alliance?

Moreover, the data of this book which demonstrate the resources of some of these countries and the development of certain industries will cause surprise abroad, and not the least of the determining motives of its publication is a certain inevitable national pride in recording the greater prosperity, force and grand future of this country, which soon we shall designate as *Great Argentine* and which facts appear clearly evident not only in the comparison of its present economic capacity and of the development of its culture but still more in what is disclosed of its immense and unexploited riches.

I believe that my theories constitute the true factor of this hoped-for progress, for they are based upon respect for all rights, upon the persecution of egoism, incompetence and fraud, upon honesty, upon the reward of virtue and of individual effort, and, lastly, upon the most profound worship of truth, before which I have always bowed, heedless of the displeasure and vengeance of which its professors are the victims.



MONTVIDEO — Libertad Place

APPENDIX

Argentine Exportation calculated for 1904

The productive power of Argentina is increasing in exceptional proportions. In 1891 the cultivated area was 3,000,000 hectares; in 1903, it exceeded 9,000,000 hectares, and this represents only 3 % of the total area of the Republic. This result has been attained without a corresponding augmentation of the rural population, which, it may be said, remains almost stationary.

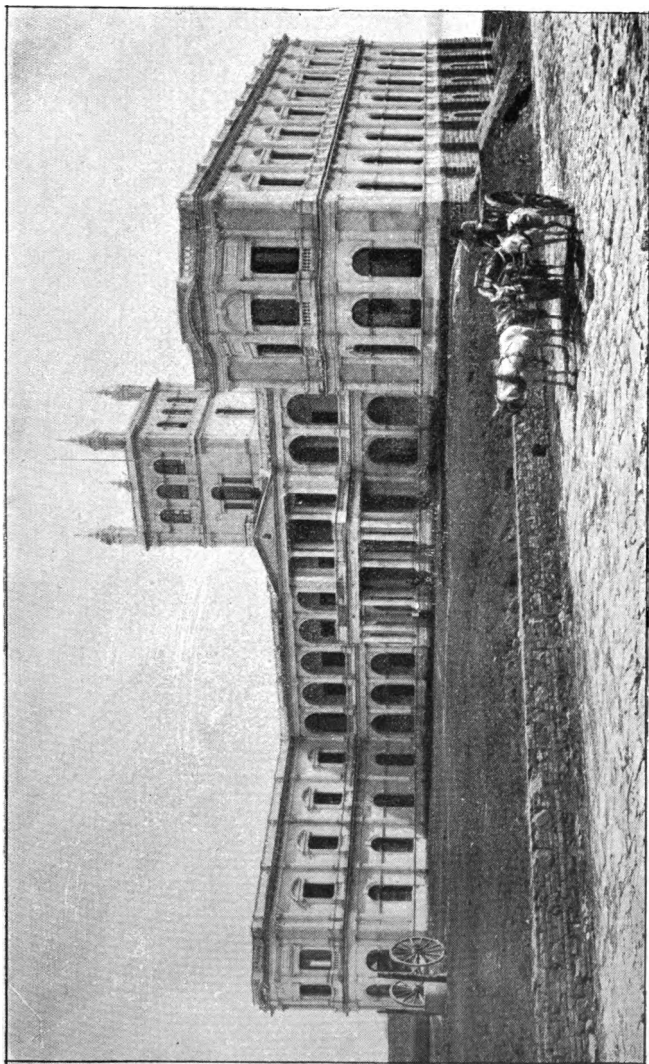
Notable improvements are being constantly introduced into the processes of elaboration of the agricultural and pastoral products. Besides the exportation of butter, which has reached 5,300 tons, the "Dried Milk Company" has just been established, with a capital of £ 100,000, for the conversion of the nutritive elements of milk into powder, principally for exportation.

The cultivated area in 1902-1903 was distributed as follows :

	Thousands of hectares
Wheat.....	3,668
Linseed.....	1,305
Maize.....	1,795
Alfalfa.....	1,691
Tobacco.....	10
Sugar-cane.....	60
Vines.....	50
Other cultivations.....	550

The Budget Committee of the Chamber of Deputies has calculated the exportation for 1904 in the following amounts:

	Thousands
Live animals.....	\$ 5,500
Frozen Beef.....	> 8,000
> Sheep.....	> 7,000
Dried beef.....	> 2,000
Wool.....	> 48,300
Hides and skins.....	> 25,000
Various pastoral products.....	> 1,450
Butter.....	> 2,700
Tallow and grease.....	> 6,000
Animal remains, &c.....	> 2,240
Wheat.....	> 54,000
Maize.....	> 22,000
Linseed.....	> 20,000
Hay.....	> 100
Sugar.....	> 2,000
Vegetable remains.....	> 2,500
Forestal products.....	> 4,200
Mining.....	> 500
Hunting and fishing products...	> 720
Sundries.....	> 2,700
	<hr/>
	\$ 216,910



ASUNCIÓN — Government House

This represents \$ 50,000,000 more than in 1900.

The Province of Buenos Aires has undertaken the construction of important works of irrigation in an extensive zone of the Rio Colorado and also of navigable canals from Junin to the River Paraná, which will facilitate cultivation by the cheapness of transport.

To give an idea of what may be expected from the development of the public riches of the Argentine Republic, it is sufficient to establish a comparison with what Canada obtains from a much smaller quantity of cattle. In 1902 Canada possessed 4,800,000 head of cattle, of which nearly one-half were milk cows; these produced for exportation cheese and butter of the value of \$ 20,000,000 and \$ 5,700,000 respectively, while the live cattle exported were valued at \$ 10,600,000. Canada also exported bacon to the amount of \$ 12,500,000, and the total value of the exported products of pastoral industry was \$ 60,000,000.

In the same proportion, having regard to the much larger quantity of live stock possessed by

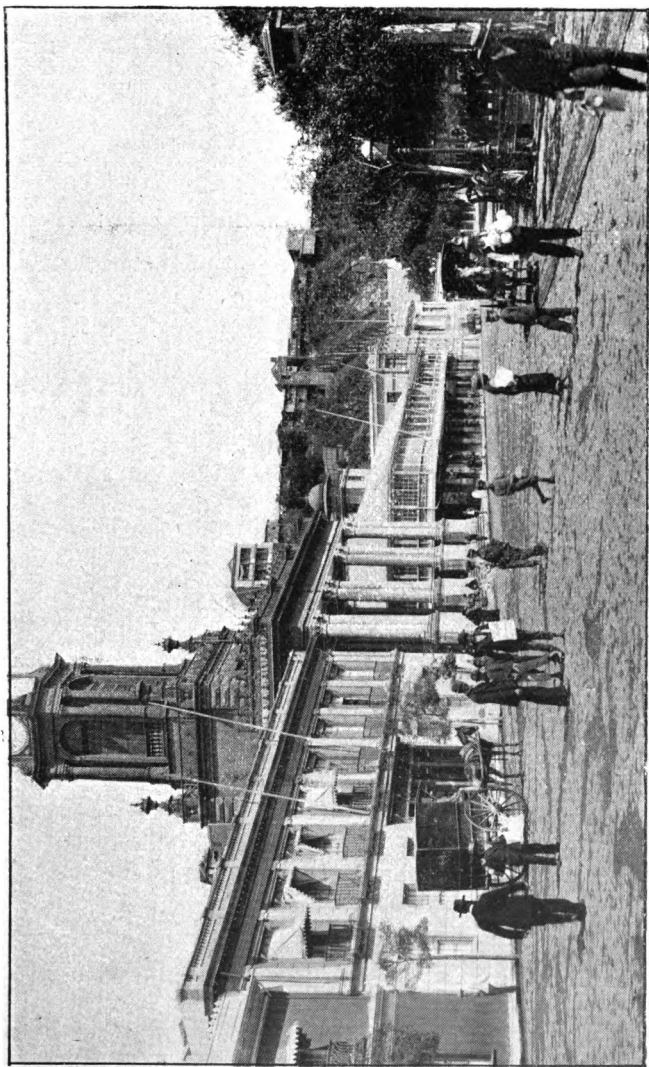
the Argentine Republic, its products ought to reach \$ 420,000,000.

The values of Canada's other exported products were as follows: agricultural \$ 37,000,000; mining \$ 35,000,000; fishing \$ 14,000,000; forestal \$ 22,000,000. The aggregate value of Canadian exports in 1902 was \$ 211,000,000, that is to say \$ 50,000,000 more than those of Argentina in the same year.

The Meat Trade in the United Kingdom in 1903

The beef and mutton consumed in the United Kingdom was supplied: 62.40 % from the United Kingdom itself; United States 15.30 %; Argentina 9.10 %; Canada 4.10 %; Australia and New Zealand 7.98 %. These figures prove that the United Kingdom and its Colonies are not able to supply all the meat required for consumption.

It seems that the meat import from the United States depends entirely upon the internal trust speculation to keep it at a high price in the country. This is an unsound principle and cannot last for a long time. The number of cattle and sheep in the States is one for every two inha-



VALPARAISO — Plaza Victoria

bitants, whilst the proportion is 5 head of cattle and 20 of sheep for every inhabitant in Argentina. The number of live stock rather decreases in the States whilst the inhabitants increase in a very considerable proportion, so that in a short time the existing animals will be needed for internal consumption. Argentina is able to raise double the quantity of live stock that it has at present, so that no country in the world is better able to derive a greater revenue from cattle and sheep.

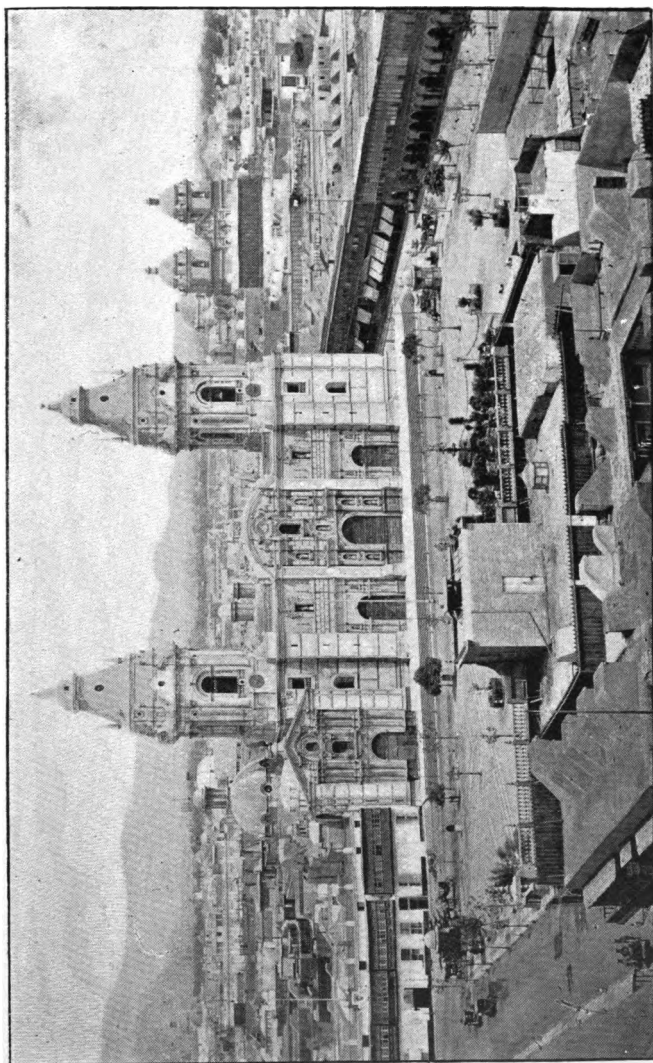
The meat import of the United Kingdom was 301,770 tons in 1903.

**Argentine Imports to the United Kingdom in 1903,
according to British statistics**

	Thousands
Wheat.....	\$ 23,500
Maize.....	» 22,500
Live cattle.....	» 2,300
» sheep.....	» 670
Frozen beef.....	» 10,260
» sheep.....	» 13,020
Sugar.....	» 920
Wool.....	» 5,600
Linseed.....	» 9,450
Butter.....	» 2,040
Tallow.....	» 2,090
Salted Hides.....	» 190
	<hr/>
	\$ 92,540

Comparative Statement of the year 1902

	ARGENTINE REPUBLIC	BRAZIL	CHILE	URUGUAY	PERÚ	BOLIVIA	PARAGUAY
Population	5,000,000	14,300,000	3,100,000	930,000	3,000,000	1,900,000	700,000
Immigration	96,000	53,800	—	9,600	—	—	680
Exports Thousands of dollars gold	179,000	182,200	70 700	27 700	18,430	12,340	3,890
Imports Thousands of dollars gold	103,000	90,200	50,400	23,700	21,640	6,220	2,340
National Debt Thousands of dollars gold	450,000	380,000	115,000	123,200	180,000	6,100	29,570
Railways Kilometres	17,200	14,100	4,370	1,944	12,224	1,055	230
Revenue 1903 Thousands of dollars gold	67,600	80,400	—	16,160	7,700	3,330	1,154
Expenditure 1903 Thousands of dollars gold	71,800	76,400	54,800	16,160	7,900	3,830	1,142



LIMA — Cathedral

Demography of Argentine Republic in 1902

BIRTHS

<u>Provinces</u>	
Mendoza	53.3 ‰
Santa Fé	39. »
Capital (Buenos Aires)	37.5 »
Buenos Aires	35.8 »
Córdoba	35.5 »
Tucumán	35.3 »
Salta	27.6 »
San Juan	35.6 »
San Luis	34.1 »
Corrientes.....	34.6 »
Jujuy	33.5 »
Rioja	27.3 »
Entre Ríos	25.8 »
Catamarca	22.5 »
Santiago	15.2 »
pro medium	34.8 ‰

MARRIAGES

<u>Provinces</u>	
Capital	8.2 ‰
Santa Fé.....	5.8 »
Jujuy	5.7 »
Santiago	5.7 »
Córdoba.....	5.6 »
Salta	5.6 »
Catamarca	5.6 »

Provinces

Buenos Aires	5.3 ‰
San Luis	5.1 »
Mendoza	5.0 »
Tucumán	4.8 »
San Juan.	4.2 »
Rioja	3.3 »
Entre Ríos	3.2 »
Corrientes	3.1 »
pro medium	5.5 ‰

DEATHS

Provinces

Santiago	11.2 ‰
Entre Ríos	13.8 »
Corrientes	15.1 »
Buenos Aires	15.2 »
Capital	16.3 »
Santa Fé	20.6 »
San Luis	21.6 »
Rioja	21.9 »
Córdoba	22.5 »
Catamarca	23.1 »
San Juan	25.1 »
Mendoza ...	29.7 »
Tucumán	35. »
Salta	38.4 »
Jujuy	43.1 »
pro medium	19.3 »

Births	34.8 ‰
Deaths	19.3 ‰
	<hr/>
Increase vegetative population..	15.5 ‰

Argentine Population 1902

Dec. 31 1901.....	5,112,280
Balance births over deaths 1902	77,600
To entrance and departures of passengers and immigrants.	<hr/> 17,680
Dec. 31 1902	5,207,560

Immigrants and passengers

	<u>Arrivals</u>	<u>Departures</u>	<u>Balance</u>
1899	145,600	94,400	50,900
1900	132,400	81,000	51,400
1901	160,500	112,600	57,900
1902	135,100	117,500	17,700
1903	155,100	117,600	37,500

According to these figures the population of Argentina at the end of 1903 is not less than 5,323,700.

Argentine Commerce

Merchandise and gold remittances in **Thousands** of gold dollars.

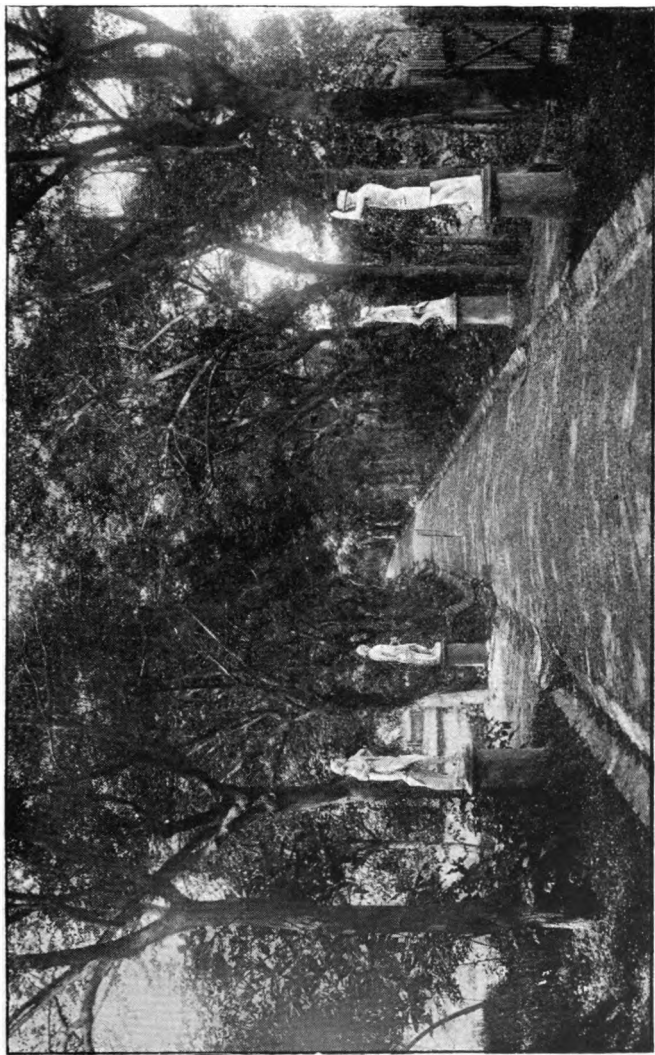
	1902	1903
Importation.....	\$ 127,300	\$ 157,200
Exportation.....	> 181,500	> 221,000
	<u>\$ 308,800</u>	<u>\$ 378,200</u>
Increase in 1903..	69,400	
	<u>\$ 378,200</u>	<u>\$ 378,200</u>

In 1861 the importation per inhabitant **exclud-**ing gold was \$ 16.3 — in 1903 \$ 27.

The exportation in 1861, \$ 10.4 — in 1903 \$ 45.4.

Importation 1903 by countries in **thousands of** dollars.

1	United Kingdom	44,800
2	Germany.....	17,000
3	United States.....	16,600
4	Italy	14,700
5	France	12,700



BUENOS AIRES — Avenue in the Lezama Park

6	Belgium.....	5,400
7	Brazil ...	5,350
8	Spain.....	3,570
9	Paraguay.....	1,050
10	Netherlands.....	790
11	Uruguay.....	760
12	Cuba.....	370
13	Chile.....	200
14	Bolivia.....	220
15	África.....	60
16	Other countries.....	7,520

According to these figures 60 % of the importation is made by the germanic countries.

The importation of 1903 compared with 1902 shews the following increases or decreases.

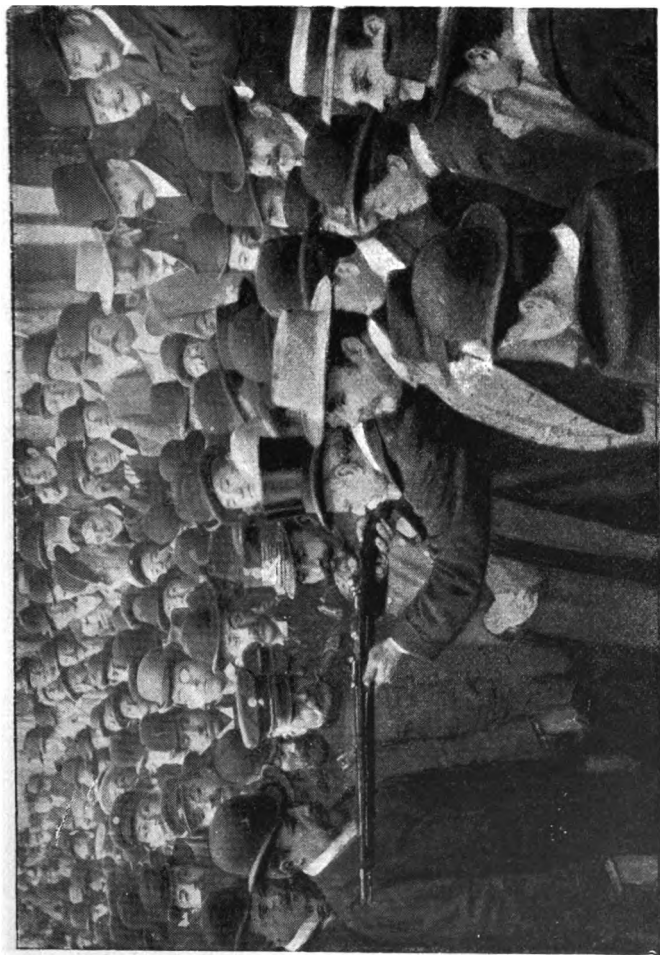
<i>Thousands of gold dollars</i>		
	<u>Increase</u>	<u>Decrease</u>
United Kingdom.....	7,830	—
Germany.....	3,780	—
France.....	3,460	—
United States.....	3,380	—
Italy.....	2,430	—
Brazil.....	767	—
Spain.....	407	—
Cuba.....	266	—
Netherlands.....	168	—
Africa.....	58	—
Uruguay.....	15	—
Bolivia.....	3	—

	<i>Thousands of gold dollars</i>	
	<u>Increase</u>	<u>Decrease</u>
Chile	—	12
Belgium.....	—	35
Paraguay	—	409

Argentine Exportation 1903 in thousands of dollars.

1	United Kingdom.....	35,600
2	France.....	34,290
3	Germany....	26,820
4	Belgium.....	20,140
5	Africa	9,170
6	Brazil.....	8,540
7	United States.....	8,120
8	Netherlands	4,500
9	Italy.	4,330
10	Uruguay	4,180
11	Spain.....	2,030
12	Chile.....	1,170
13	Bolivia.....	450
14	Paraguay.....	160
15	Cuba	12,830

As it is to be seen in importation and exportation the United Kingdom takes the first place. In importation Germany the second and in exportation the third. France the second in exportation and the 5th in importation. United States the third in importation and the 7th in exportation.



BUENOS AIRES — FEDERAL SHOOTING PLACE — President Roca inaugurating the great international Shooting — October 18—1903

The Exportation of 1903 compared with 1902
shews the following increases or decreases:

	<i>Thousands of gold dollars</i>	
	<u>Increase</u>	<u>Decrease</u>
Belgium.....	6,382	—
France.....	4,707	—
Germany.....	3,873	—
Netherlands	1,712	—
Africa	885	—
United Kingdom.....	516	—
Uruguay	514	—
Chile	486	—
Brazil	176	—
Italy	122	—
Spain....	10	—
Paraguay	—	38
Bolivia.....	—	149
Cuba.....	—	306
United States.....	—	1,911

ARGENTINA

BUDGET FOR 1904

The interesting statement made by the Executive Power to Congress contains illustrative data which indicate the successive progress of the country, the improvement of the finances and the consolidation of Argentine credit.

The first half-year of 1903 shews an augmentation of \$ 10,690,000 upon the first half-year of 1902 in importation. In exportation the augmentation was \$ 23,600,000, and it is calculated that by the end of the year the value of the exports will have exceeded \$ 225,000,000, which would be equivalent to an increase of \$ 46,000,000 upon 1902.

The foreign public debt in circulation on the 31st. of December 1902 was \$ 381,000,000, the amount paid off during last year having been \$ 5,368,000.

On the 1st. of January 1904, the first loan which Argentina contracted, in 1824, will have



BUENOS AIRES -- Jockey Club Building -- Architect Emilio C. Agreló

been extinguished. It was for £ 1,000,000, but the amount actually received was only £ 700,000, and the amount paid for the service of the loan will have been £ 4,800,000. *South America* sometimes delays the payment of its debts, but in the present case usury has obtained a noble vengeance.

The internal gold and consolidated debt is equivalent to \$ 36,760,000, the amount amortized in 1902 having been \$ 2,259,000.

Various secured debts have been paid off and the securities realised have left to the Treasury a surplus of \$ 7,000,000, with which sum various temporary advances have been repaid. There were Treasury bills in circulation on the 18th. of August 1903 to the amount of \$ 7,000,000, but they will be paid in this year and in the next three years. In cash the Government has, besides, the equivalent of \$ 5,280,000.

For next year, the two additional duties of 5 % each, have been suppressed, and this measure will increase the rents instead of diminishing them.

The revision is proposed of the custom-house tariff of values, which will be a less serious and complicated matter than it appears to be, if the laws be fulfilled without consideration for private interests or special trades.

If all the merchandise were assessed at its actual value the revenue would be increased and the consumers would pay less.

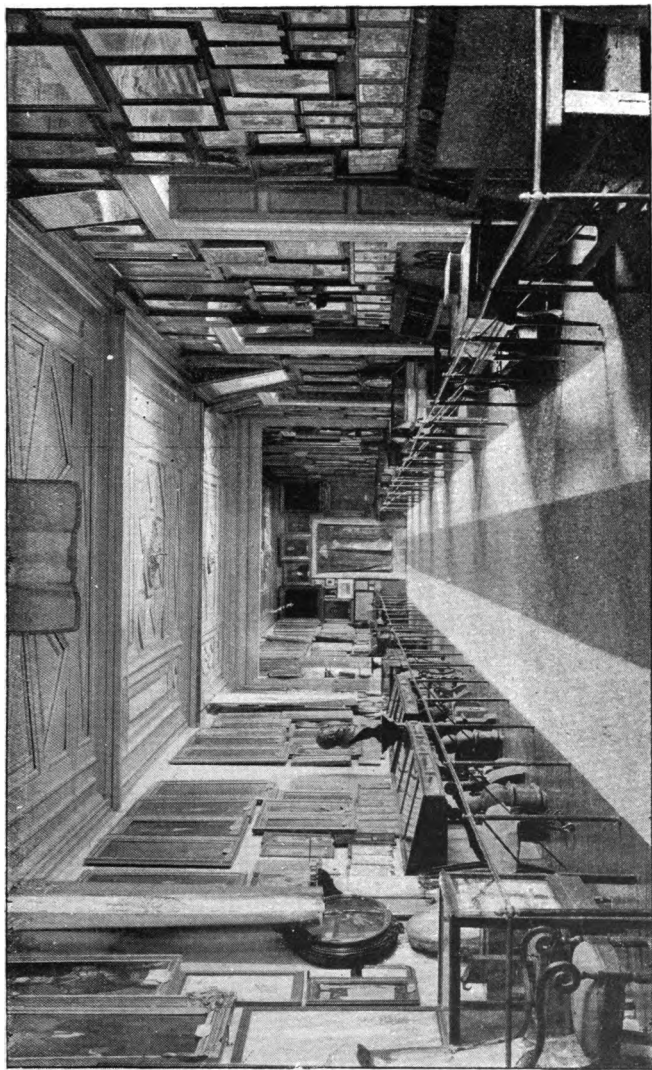
Reforms are also projected in the tax on alcohol. I have already demonstrated, with the example of other countries, that the only way to prevent the State from being defrauded is to reduce that tax to one-third of the present rate and this would produce an increased revenue, diminish fraud, augment production and render unnecessary the proposed authorization for the infliction of corporal punishment for fraud.

As to sugar, the system of bounties is continued, though in a modified form, the tariff value of 10 kilos of sugar being reduced to \$ 1.32, during a year, for the purposes of the bounty on exportation.

The tax on wine made in the country is reduced to 44 milesimos per litre and it is suppressed as regards denaturalized alcohol, which is used for heating, illumination and motive force.

The revenue produced in 1902 the equivalent of \$ 70,656,000. For 1903 it is estimated at \$ 74,190,000 and for 1904 at \$ 68,711,000 ; that is to say : \$ 5,484,000 less than in 1903. Nevertheless, a surplus is calculated upon, though a small one, of \$ 145,000.

Some of the bonds of the public debt bearing interest at 6 % are quoted at 102 $\frac{3}{4}$ and the 4 %



BUENOS AIRES — Historical Museum — Under the Direction of Sr. Adolfo P. Carranza, founded by the
Municipal Intendent Francisco Seeber — 1889

bonds at $74 \frac{7}{8}$, which, in a short time, will permit them to be exchanged for others at a lower rate of interest.

The Message terminates with this significant prognostication: « Everything assures today a progressive march to the Republic, which has accumulated, year after year, new and powerful resources that will permit us also to normalize our monetary situation definitively by arriving at the conversion of the paper-money ».

The budget presented by the Government has been altered by the Financial Commission of the Chamber of Deputies and will be sanctioned in the following manner.

ARGENTINE

Estimate of Expenditure for the year 1904

	THOUSANDS OF DOLLARS Gold	
<i>Congress</i>		1,179.2
<i>Interior</i>		
Presidency.....	76.3	
Ministry.....	199.2	
Post and Telegraph Service....	3,246.6	
Board of Health.....	287.5	
Police.....	2,865.3	
Governments	584.7	7,259.6
<i>Foreign Affairs and Worship</i>		
Ministry	114.1	
Legations	312.7	
International Treaties.....	55.7	
Brussels Convention	4.8	
Boundary Commission	79.2	
Bishoprics, Archbishoprics.....	273.7	
Subventions to Provinces.....		
National Lottery.....		
Beneficence Society.....		840.2
<i>Justice</i>		
Ministry	152.9	
Justice	1,441.1	
Prisons	318.9	
Sundries ..	66.	1,978.9
<i>Public Education</i>		4,651.3
Carried forward....		15,909.2

	Gold	
Brought forward		15,909.2
<i>Finance</i>		
Ministry	406.2	
General Accountant's office.	181.8	
Public Credit.	13.5	
Conversion office.	52.	
General Treasury.	16.4	
Inland duties.	700.3	
Chemistry offices.	60.6	
Mint office.	88.3	
General Archives.	5.9	
Statistical office.	35.5	
Port of Buenos Aires.	499.9	
Taxes and Stamps.	137.2	
Customs Services.	864.9	
Port Prefecture.	728.8	
Incidentals.	52.8	
Subsidies.	211.2	4,055.3
<i>War</i>		
Ministry	133.7	
Courts	45.2	
Army.	3,798.7	
Schools	150.8	
Intendancy	1,901.9	
Remounting (cavalry)	26.7	
Board of Health.	333.7	
Arsenals.	342.	
Shooting-Societies	68.7	
Invalids	67.7	
General Expenses	239.7	
Manoeuvres and Works, Buildings. . etc.	125.	7,233.8
Carried forward.		27,198.3

	Gold	
Brought forward.....		27,198.3
<i>Marine</i>		
Ministry.....	139.4	
Courts	6.3	
Board of Health.....	5.5	
Dock Yards.....	10.6	
Arsenal	272.8	
Artillery Park.....	20.1	
Isle Martín García and Prison.....	9.2	
Flotillas	13.7	
Schools.....	148.7	
Lighthouses.....	77.1	
Crews and Troops.....	2,079.9	
Intendancy	1,164.5	
Transports	70.	
Payments gold	10.2	
Expenses and Materials.....	303.4	4,331.4

<i>Agriculture</i>		
Ministry.....	1,049.3	
Statistics and Rural economy	26.2	
Agriculture	161.6	
Breeding and Zoology	201.2	
Industry.....	21.4	
Commerce.....	21.4	
Taxes and Marks.....	8.5	
Lands and Colonies	85.8	
Immigration	158.4	1,733.8
Carried forward.....		33,263.5

	Gold	
Brought forward.....		33,263.5
<i>Public Works</i>		
Ministry.....	67.8	
Streets and Roads.....	174.2	
Hydraulic Works.....	86.7	
Sanitary Works.....	977.3	
Book-keeping.....	36.	
Irrigation.....	6.1	
Architecture.....	19.3	
National Railways.....	2,200.	
Sundry Works.....	2,770.5	6,337.9
Pensions.....		2,481.2
<i>Public Debt</i>		29,737.3
		<u>71,819.9</u>

National Income for the year 1904

	Thousands of Dollars Gold
Imports.....	30,300
Exports.....	3,000
Store rent and Handling charges.....	1,300
Lights and Buoys.....	250
Sanitary Visits.....	40
Ports and Cranes.....	1,470
Consular fees.....	270
Statistics and Stamps.....	330
Contingencies and fines.....	294
Interest and Amortization of bonds.....	440
Provinces of Buenos Aires, Entre Ríos and Santa Fe service of their debts.....	1,958

	Thousands of Dollars Gold
National Bank in liquidation.....	348
Alcohol	5,720
Tobacco	5,280
Sugar.....	1,320
Matches	1,144
Beer	660
Insurance	154
Playing cards.....	44
Artificial liquors.....	6
Sanitary Works.	2,288
Business Tax.....	924
Land Tax.....	924
Stamped Paper.....	2,860
Traction	176
Post offices.	1,980
Telegraph Service.....	660
Pasture grounds.....	30
Sales and Leases of Land.....	704
Railways.....	2,332
Province of Córdoba.....	88
Sanitary taxes.....	154
Interest of Bonds, Law No 2782, Natl. Bank in liquidation.....	184

Total National Income \$ 67,632 Gold

The 10 % additional custom house duties have been suppressed, so that apparently there will be a deficit of \$ 4,300,000. This amount will be taken from the amount obtained from the sale of the two cruisers to Japan, as they were bought with the money obtained from these

additional duties. But people acquainted with commercial business venture to say that the increase of the custom house duties by this reduction and the general improvement of the country will save the balance, making it unnecessary to touch these funds.

Argentina and the United States

Dr. Ramón A. de Toledo.

My esteemed friend:

Your appointment to the Argentine Consulate in New York is one of the most judicious nominations. Our commercial relations with the United States have to be extended in considerable proportions and you can promote this beneficent result for the two countries by making known there the raw materials that we produce which might serve for the preponderant manufactures of that country and by divulging here what things the North Americans manufacture more cheaply and of better quality.

The increasing necessities of social culture demand satisfaction in different ways which the civi-

lized man tries to meet with the least possible pecuniary sacrifice. All the inhabitants of the earth endeavour to attain the maximum of well-being, and, the poor being so many and the rich so few, it is a sacred duty of the public functionaries to promote the cheapening of the necessities of life and the improvement of all articles of consumption, placing, at the same time, within the reach of the poorer classes the intellectual pleasures which elevate and dignify humanity.

Recent statistics prove that nine out of ten of the inhabitants of our globe are daily unable to satisfy their hunger, 90 % are lodged in infected hovels and 99 % have not a single intellectual or artistic enjoyment. In all parts, dire distress amid riches as yet unexploited, aggravated by political and absurd economic legislation, exaggerating nationalism instead of promoting universalism.

The United States import sugar, skins, linseed, jute, hemp, wool and fruit, of the value of \$ 300,000,000 gold; wool and woollen articles figure for \$ 36,000,000. The Argentine Republic produces all these articles but contributes only \$ 6,000,000 to those imports. Deducting the cereals, meat and animals, the United States export, annually, to the amount of \$ 920,000,000, but we buy in their markets to the amount of only

\$8,000,000, according to them, and of \$13,000,000 according to our statistics, while our purchases from England amount to \$39,000,000 and from other countries to \$60,000,000.

As I have stated in a recent essay, the economic policy of reciprocity, proclaimed by Mc Kinley a little while before his death, would open that market for our wools, the production of which might be tripled in a few years if the returns should prove remunerative. I do not doubt that you will be able to aid efficaciously the efforts which, in this sense, have been made by our competent Minister in Washington, Dr. Martin Garcia Merou, and that both will thus be carrying out the prudent policy initiated by our Government.

The first thing to be done is to shorten the duration of the voyage, which may easily be reduced to 15 days, or even less, from New York to Buenos Aires, so that the Yankees may invade us with their practical and convenient manufactures, taking in exchange, also, at low prices, our wools, hides, tallow, fresh fruit and other articles.

I am not one of those who are alarmed by imperialism, and perhaps to mention and think of warding off a danger that does not exist may cause more injury than benefit, by awakening distrust and anxiety, because national susceptibility,

which international courtesy obliges us to respect, may be wounded unconsciously.

The North Americans seek for assimilation and not conquest, they did not dominate the States which they bought, but added a star more to their flag, where principles of liberty have always shone, which were previously unknown there. If they land forces in that part of America where permanent disorder and unquietness prevail and the governors make their patrimony out of the scanty revenues of a poor country, stealing from it 36 millions of dollars which they throw away in France, leaving afterwards their own families almost destitute, we support them in the name of humanity, because they defend the lives, fortunes and honour of their own people and of foreigners.

Mexico was liberated from foreign monarchical domination by the United States. In Cuba, Porto Rico and the Philippines since the North American influence has been established the tributes have ceased, there are ten times as many pupils in the schools, the clerical domination and pressure have been modified, commerce and revenues have grown considerably and even the cholera and yellow fever, which permanently devastated those regions, have now disappeared.

Venezuela, Colombia, Haiti and all the Ameri-

can peoples who live eternally in anarchy or under despotism, shedding blood and destroying wealth, have no right to expect in the 20th. century any defence from moral Governments and will have perforce to submit to the laws of progress and civilization, so that the stronger nations, which are governed with dignity and honour, may show them the road of legality and order.

The North Americans seek to trade with prosperous and rich countries, where justice is administered and which can buy their products, and very soon they will have to hoist on their ships the flag of «reciprocity», because only with it and by it do nations become great and make themselves respected, which claim to govern humanity, as England has done,

The Argentine Republic, which imitated North America in its Constitution, has yet to complete it by correcting omissions and by alterations, and for this it will be necessary for masters to come from there to teach us even the interpretations which, at times, are here more in accord with the narrow-minded opinions and conveniences of a limited number of persons than with the general necessities of the country and the intentions and practices of the founders of this system.

We owe to Sarmiento the incorporation of a distinguished nucleus of North American school-

mistresses who diffused a perfect system of education in an important nucleus of our young women. It is needful that those virtuous ladies, most of whom have already ceased to exist, should be replaced by others who would propagate the system of practical and sensible education, to impress a strict and independent character upon those who, later, will be mothers and will be better able to guide their children.

If our Government has been happily inspired to send young men to the United States for agronomical studies, some with deficient application, let us also bring masters from there and add to our universities, colleges and schools special courses of rural education.

We shall always have to remember with respect and gratitude the names of Wheelwright, Hopkins, Davison, Hale, Perry, Moores, Pearson, Church, Sanford, Neil, Scott, Corthell and so many others who linked their names and fortunes to railways, tramways, ports, loans and rural establishments, which augmented the progress and riches of the country. The names of the Ministers Osborne and Buchanan, through their friendly intervention in our international disputes, will be always pleasing to the Argentine people.

As we are producers of bread, meat and wool, most of the countries of the earth will be always

our tributaries and the future belongs to us. Let us live in peace and concord with the North Americans, who are a superior people, let us endeavour to imitate their rapid and astonishing development, and may we also, like them, have for all things, moral and material, the conception of « the greatest in the world, the highest in the world » and at no distant epoch we may be, in South America, what they are in the North.

A happy result for you and for our country is desired by your constant friend.

FRANCISCO SEEBER.

Buenos Aires, September 29th. 1902.

To the Secretary of War of the United States

Buenos Aires, February 17th. 1903.

*The Honorable Elihu Root, Secretary of War of the
United States of America, Washington.*

My dear Sir.

I had the honour to receive your most esteemed letter of January 3rd. for which I thank you and am much pleased to know that it is your intention to visit our country.

It is of the greatest importance that you take so much interest in our progress and men of your high position should study the manner of consolidating the international relations between both our countries, so similar in political and economic tendencies, by the exchange of produce. Notwithstanding that we only possess one third of your territory and one sixteenth part of your population our foreign trade is already one eighth of yours, and this trade of 300 millions will be greatly increased in the present year. Our trade with the United Kingdom, for example, represents 87 millions of dollars and is larger than that of Brazil, Chile, Uruguay, Bolivia and Peru taken together.

These countries have an area of over $12\frac{1}{2}$ million kilometres and a population of $24\frac{1}{2}$ millions; the Argentine Republic only 2,800,000 kilometres with a population of 5,000,000 inhabitants. Apart from our trade with the United Kingdom it is calculated that the British have invested, in this country, 1500 millions of dollars in railways, tramways, telephones, banks, land, etc.

As you mention, the climates of this country are similar to those of the United States, but the productions or the ways of obtaining them are not the same: when you are in winter we have our summer. We have 28 million head of cattle

and 110 million sheep, constantly increasing and improving the breed ; you manufacture hides and wool better than we do ; you have better iron, coal and wood, better labourers and cheaper money ; we have only 6,000,000 hectares of land under cultivation and require more husbandmen, you have 50 million hectares. For the same quality of farming lands which you sell for \$ 1000 we only get \$ 100. We and you produce, in alternate seasons, the best fruits of the world and with the help of fast steamer communication could consume them fresh all the year round.

Your country is one of the richest in the world and your finances allow you to keep in the treasury over 500 millions cash ; you are expending 500 millions to increase and strengthen your fleet ; — could you not spare a subvention of half a million a year, for 5 years, to establish steamers running 20 knots from New York to Buenos Aires ?

This is a more practical scheme than the enormously expensive lines of railways projected to put in communication the Strait of Magellan with the Strait of Behring. Twelve days only would separate us from New York and if we at present buy from you 12 millions of dollars and you from us 7 millions, these figures will be doubled in a very short time.

One of the things to which I would call your attention is that in order to increase your trade with this country your traders, merchants and bankers must allow credits as the Europeans do ; a young country like this, developing its natural resources, can only afford to buy for cash, relatively speaking, very small amounts and requires time to pay, to you this is of little consequence ; for your banks afford immense facilities enjoyed by very few countries, but to us it means a great deal.

After all the facilities you allow Brazil, you will have observed that that country buys from you only \$ 12,000,000, the same amount as we do, and you buy from them \$ 70,000,000, ten times more than what you do here.

A healthy city like Buenos Aires of 900,000 inhabitants, perhaps to-day the most healthy in the world, where the births number 40 per mil and the deaths only 16, whilst New York shews 22.7 and 20 per mil respectively, would prove a pleasure trip to a great number of your enterprising men, during the months of your severe winter, if the sea journey were reduced to half the time.

We know more about your country than you do about ours and that is easily understood for the little boys at school always know the names

of the bigger ones, but these pay no attention to the former. We follow your extraordinary progress, our teachers study your school system, in your country, and we carefully read the philosophical speeches of President Roosevelt, and profit by his advice.

The latest improvements of our army and navy by organization, drill, schools, stands, arsenals, ships, military dry-docks, arms, ammunition and quality of our soldiers, may be opportunely appreciated by you. We are strong enough to keep peace in our neighbourhood, we respect the rights of others and have confidence in our strength.

Hoping to have the honour of your visit, if I have not the pleasure before then of meeting you in Washington, I beg you to accept the high consideration and esteem of

Yours very truly

FRANCISCO SEEGER.

Letter from General Fotheringham to Mr. Seeber

Hotel de Londres, March 8th. 1903.

My dear « Intendente General ».

There's a glorious mixture of « idiomas »! —

A splendid letter that of yours to the Secretary of War of the Grand Republic.

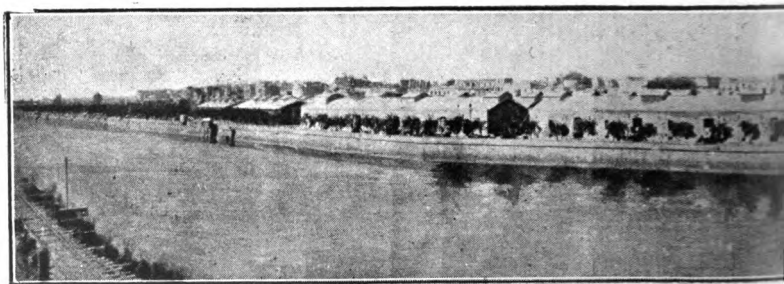
Nothing exaggerated : too modest in fact — but well to the point and sharp as steel.

Compare with your usual talent the exportation and importation of the two countries — of course on a proportional line — the result will be, to your patriotic heart, highly satisfactory.

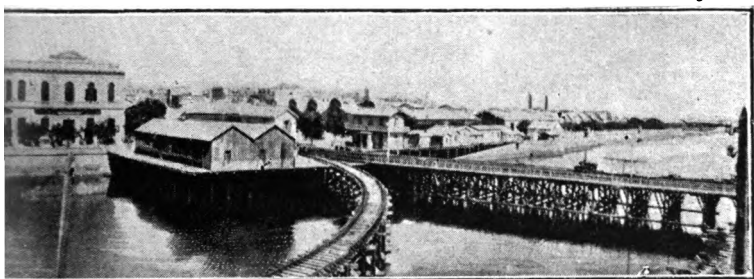
Go back only a few years : say half a dozen and notice the rapid, gigantic strides of Argentina.

Doubling railways, and more than trebling telegraph wires. Go on nearly in geometrical progression as regards value of lands and cattle ; don't omit wheat, corn, and other agricultural products : you'll come happily on to Millions of tons. Only fancy !

Then the towns — Look at our grand capital, and you'll have a proud look as you see its magnificent streets, and splendid buildings, miles upon



CATALINAS — DEPOSITS & WHARVES



n 1872 by Francisco Seebe

miles of electric trams, thousands of carriages, the best of sewerage in the world and the doubling again of population.

We cry and gnash our teeth over our tremendous debt of some £ 80,000,000, but why weep over spilt milk, when as it fell it germinated in a thousand well counted advantages. Those vast areas of camps wired in with thousands of miles of fence enclosing millions of improved races of cattle, the extensive lines where the locomotive rushes furiously over thousands of miles of settled lands; those grand constructions of the port of the city itself of the capital, those of Rosario with its brilliant future before it, and the daily improvement in education, in style, in progress of the whole country, are all these factors not worth the money?

And look ahead a little: look down the gulf of time past a few stages only, and in a decade more, don't you see the smiling future of the «Argentina» throw forth sparks of light in its rapid historical and financial progress?

Everybody is criticising and grumbling — all the better—for at the same time all and everyone join hands in noble efforts to throw a bridge across the giddy depths that dazzle; and when a young and vigorous nation means to do a thing, she does it and comes through her troubles to

the goal that pride and patriotism desire, with flying colours.

Well done and well written my dear old friend and strive on, in the same key: you do more good with a few sensible lines from your intellectual and talented pen than the thousand lamentations of others who may have the will but have not the way.

Now is the time.
Now is the winter of our discontent
Made glorious by that sun of May (not York)

Good-bye
Very affectionately yours

J. FOTHERINGHAM.

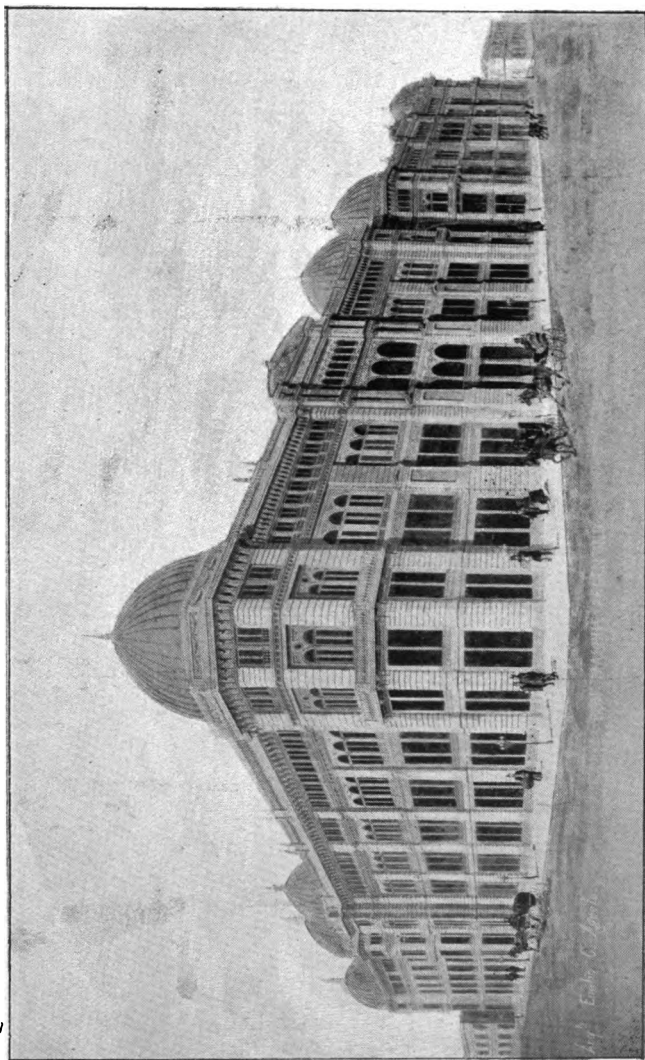
The United States and Argentina

Legation of the United States of America.

Buenos Aires, March 3rd., 1903.

Dear Mr. Seeber: —

Your article in «The Standard» and card were received yesterday upon my return from the seaside, and for the same be pleased to accept my thanks.



**BUENOS AIRES — «Galería Florida», initiator Francisco Seeber — architect Emilio C. Agrelo — Occupied
by the Picture Museum, Academy of Fine Arts, Direction of Lands & Colonies.**

I noticed the article last week, and I own I was somewhat surprised in noticing how well you had collected and arranged your facts respecting your own and my country, although I knew you were a man of extensive knowledge, good sense and excellent judgment.

I believe that your article will be widely read in both countries with mutual benefit.

Very truly yours

WM. P. LORD.

Señor Don Francisco Seeber.

Presente.

White house

Washington, November 14, 1902.

My dear Sir :

On the President's behalf I beg to acknowledge the receipt of your recent favor, and to thank you for your courtesy.

Permit me to assure you of my appreciation of your personal remembrance ; and believe me

Very sincerely yours

GEORGE B. CORTELYON,

Secretary to the President.

Hon. Francisco Seeber.

Intendente General de Guerra.

Buenos Aires, Argentina.

President pro tempore United States Senate

Lewiston, Maine, November, 17th. 1902.

Genl. Francisco Seeber.

Buenos Aires, A. R.

My dear Sir : —

Through your courtesy, I have received your Article entitled, «The Argentine Republic and the United States of America», and I have read it with great interest. I think that you appreciate the relations which ought to exist between the United States and the South American Republics. That you are broad minded in your views and entirely above little prejudices is apparent from your Article.

Please accept my thanks and believe me,

Sincerely yours

WM. P. TRYE.

North Egremont, Mass., Nov. 17th. 1902.

Gen. Francisco Seeber.

Buenos Aires, Argentine.

Dear General Seeber:

Someone has sent me the Buenos Aires Standard of Oct. 4th., which contains a very interes-



BUENOS AIRES — Interior of the Galeria Florida

ting and really important letter by yourself to Dr. Toledo, the new Argentine Consul at New York.

I have read the letter with great interest, and have made some notes from it to use the data in my lecture on Argentine which I am just about to begin, having arranged to deliver thirty-six lectures on this subject in the United States and Mexico during the coming Winter and Spring.

I am pleased to enclose a very brief synopsis of this lecture, which I think you will be interested in.

I am, with very kind regards,

Yours very truly

E. L. CORTHELL.

War department

January 3, 1903.

My dear Sir :

I beg to thank you for the very admirable and interesting article upon the Argentine which I recently received with your card enclosed.

I have long taken great interest in the progress of the Argentine Republic, which has a range of climate so similar to that of the United States, and is maintaining liberty and order under a con-

stitution substantially identical with that under which we live here. I hope at some time to visit Buenos Aires, and see your country for myself.

I beg you to believe that I am appreciative of your courtesy.

I am, with great respect and esteem

Your obedient servant,

ELIHU ROOT.

The Honorable Francisco Seeber

Intendente General de Guerra.

Buenos Aires, Argentine Republic.

Washington, D. C., February 3rd., 1903.

Mr. Francis Seeber.

Buenos Aires.

My distinguished Sir and friend :

In due course I had the pleasure of receiving your kind note and the copy of the letter addressed to Toledo, which you were good enough to send me and some paragraphs of which were published in the «Chicago Record» by William E. Curtis, one of the most popular journalists of this country, being reproduced afterwards by an enormous number of American newspapers.

It is needless to say how much I sympathize

with your ideas and the pleasure with which I have read the affectionate reference that you make to me personally.

I have also received with the greatest pleasure your essay on «Interchange or Protection», which I had previously read in the «Anales de la Facultad de Derecho».

As we have had the opportunity of talking together sometimes about economic matters, you will not be surprised that your work has delighted me by the clearness of the ideas which you develop in it and the manifest truth of your appreciations. I coincide absolutely with you in all that you say in that essay and I think that it constitutes a programme of government, which, carried into practice, would normalize our financial situation and would make an end of all the errors that have, in the last few years, affected the normal development of our riches.

With my sincere congratulations, I press your hand and repeat that I am your servant and very affectionate friend

M. GARCIA MEROU.

Letter from Mr. E. L. Corthell

New York, April 15th, 1903.

My dear Mr. Seeber :

I was glad to get your letter to Secretary Root, and I used it last night in my lecture before the American Geographical Society in this city, mentioning your name in a very complimentary manner, and expressing the hope that Secretary Root would go as he promised. I will write him a private note urging him to do so.

You are doing a great and useful service to both these great countries and I hope you will continue in it until they are brought much closer together commercially and have suitable lines of steamships between our great port and yours.

I am yours sincerely

E. L. CORTHELL.

Office of Reginald I. Neild, River Plate house,
Finsbury Circus

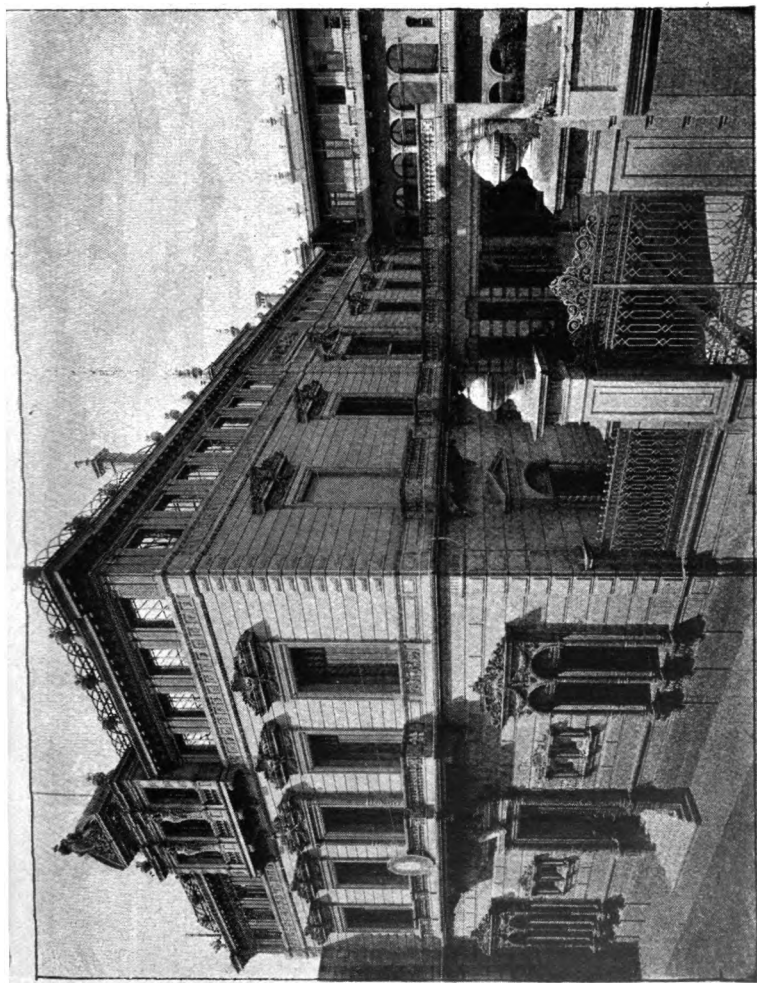
London, EC. 7th, April 1903.

Francisco Seeber, Esq.

Buenos Aires.

Dear Mr. Seeber :

I received by last mail an envelope containing a cutting from the Buenos Aires «Standard» of a



BUENOS AIRES — University ex privat house of Francisco Seeber

letter from you to the Secretary of War of the United States dated February 17th. last. If it is to you that I am indebted for this please accept my best thanks, for I have read the letter with very great interest, as I always have done all the productions of your pen. I know no man who has so effective a grasp of the general commercial, financial and economical position of the Argentine as yourself, and certainly no Argentine inspired with a more genuine or well considered love of his country and its progress.

With my best thanks and every wish for your prosperity.

I remain, dear Mr. Seeber.

Yours very sincerely

R. NEILD.

Madeira, 1st. November 1903.

My dear Sir :

I had an opportunity to read with pleasure your very interesting article which you left with me on the steamer before our departure from Montevideo and I can only assure you that I look forward with anticipation of the greatest pleasure to the publication of your work upon South America. I cannot but feel that such a

work would be of the greatest interest and value in the United States. In Spanish, however, I am inclined to think that it will reach but a small portion of the audience to which it should properly be presented and I hope at no very distant date I may have the pleasure of seeing an English edition.

Trusting that you are quite well, and with the expression of my sincerest appreciation and regard,

I am, believe me,
very cordially yours

ARCHER M. HUNTINGTON.

Francisco Seeber Esq.

Intendente General de Guerra.

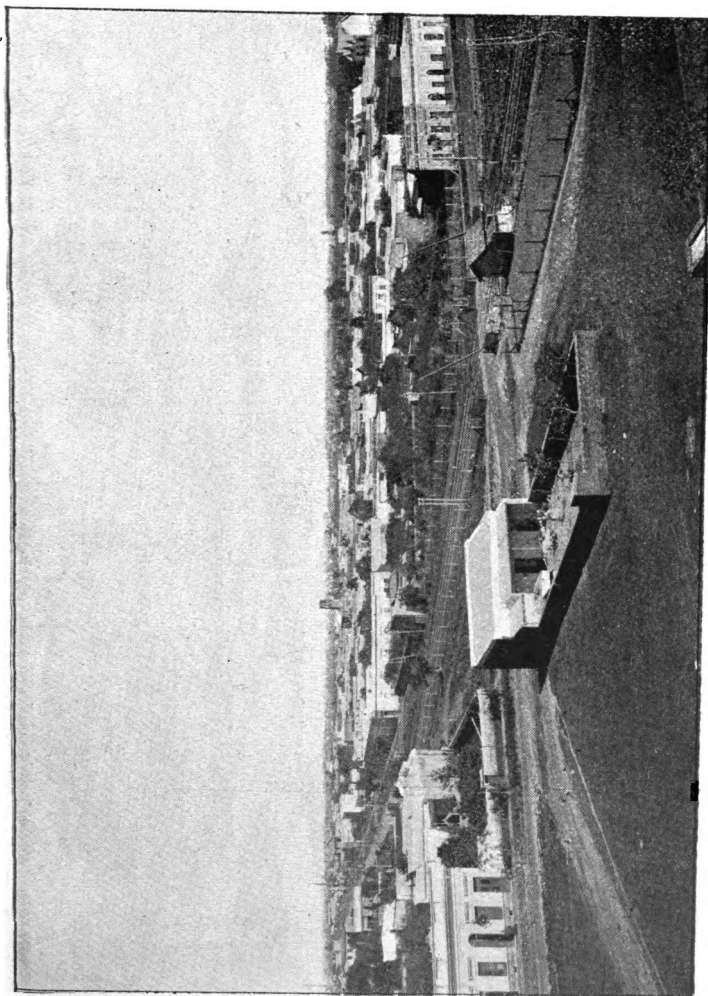
Buenos Aires.

Legation of the United States of America

Buenos Aires, December 5, 1903.

My dear Mr. Seeber :

Many thanks for the copy of your «Argentina, Brazil, Chile, Uruguay, Peru, Bolivia y Paraguay» received some days ago. I have read it with much interest and have found it an exceedingly



BUENOS AIRES—VILLÁ CATALINAS—Founded 1888 by Francisco Seeber and engineer Emilio C. Agrelo—
2000 houses, 8000 inhabitants in 1908; 106,000 passengers by Railway in 1902.

useful reference book. I echo your wish for closer commercial and political relations between the countries with which your book deals and my own country.

Believe me, with renewed thanks.

Very sincerely yours

EDWARD WINSLOW AMES.

Francisco Seeber Esq.

Avenida Rosales y Calle Paraguay.

Buenos Aires.

Ethnology of South America

Buenos Aires, January 1904.

To Talcott Williams, Esq. L. L. D.

Philadelphia.

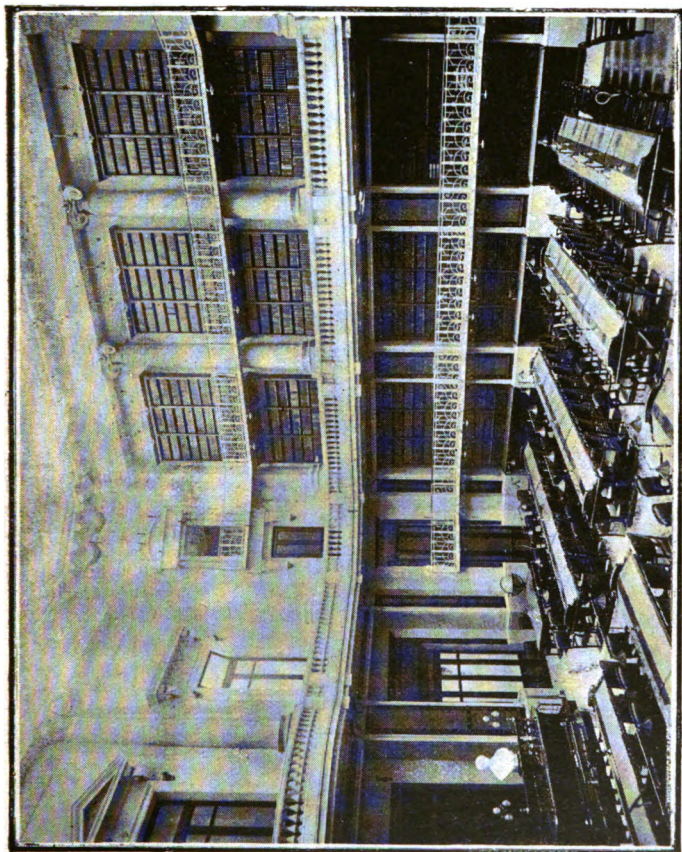
Dear Sir,

I have gone carefully through all your interesting studies of the ethnical factors in South America published in the Annals of the American Academy. To treat a hemisphere of 20,000,000 square kilometres composed of 13 different states with a population of 40,000,000 inhabitants ; different races being represented in every one of

them, not only by their origin, but also modified by the diverse climates and latitudes, is no light undertaking on your part. Only 4,300 kilometres of railways cross this enormous area of land, communications are very difficult, statistics are defective and the only country which presents them with some accuracy is the Argentine Republic.

If you start South from the United States, you leave 4.6 % illiterates in your native white population, 12.9 % in the foreign white; and 44.5 % in the coloured; and you find 90 % in Mexico, the same number in Central America, Venezuela, Colombia and Ecuador; 84 % in Brazil and Bolivia; 80 % in Peru; 75 % in Chile; 60 % in Uruguay and 50 % in the Argentine, until you arrive at the most Southern Capital of this continent — Buenos Aires — where you only find 25 %. The present ethnic state of the most important countries of the southern hemisphere: Brazil, Argentina and Chile differs somewhat from your appreciations. Of the 15 or 17,000,000 inhabitants of Brazil, 2,500,000 are negroes, 5,000,000 are mestizos-mulattoes, and 1,300,000 indians; foreigners number 2,700,000 of whom 1,300,000 are Italians, 800,000 Portuguese, 320,000 belong to the Germanic races; of Spaniards and French there are only a few.

As you will see, only 15 % of the popula-



BUENOS AIRES — National Library — Architect, Marquis Carlos Morra

tion in Brazil is European, 5 % being Portuguese; 15 % are negroes, 35 % are mulattoes and mestizos and 8 % are indians. Of the remaining 27 % you must be very complaisant if with so many coloured people you admit the half really belong to the white race — so that with the European, only 30 % of the population may be considered genuine «white».

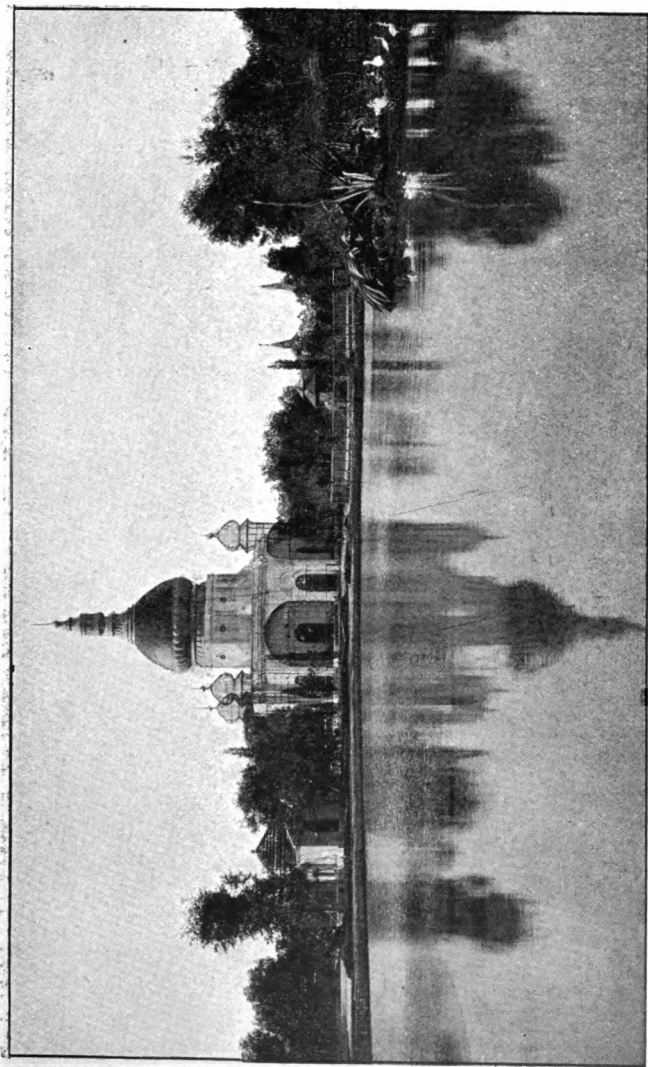
The Argentine has a population of 1,000,000 Europeans of whom 500,000 are Italians, 200,000 Spaniards, 100,000 French, 22,000 English, 45,000 Germans; there are 8,500 negroes and mulattoes and 50,000 Indians; the European population runs to 21 % — the Italian 14 %, the Spanish 4 %, the French 2 %, the German 1 % and the English 0.5 %; the Indian 1 % and the negroes 0.02 %; of the remaining 77.98 % the greater part belongs to the white race.

Chile has a population of only 32,000 or 42,000 Europeans comprising 8,300 Spaniards, 7,800 French, 7,600 Italians, 7,000 Germans, 1,500 Austro Hungarians, 6,300 British, 1,600 Swiss and 2,000 of other nationalities. Indians number 130,000 according to the appreciation of Dr. Otaegui, professor of Geography in Santiago. The percentage of Europeans over the population represents from 1.10 to 1.40 — the Spaniards 0.27 %.

You state that the only South American country where the returns are correct is Chile. I must remark that your information is incorrect. In the last census they allowed 15 % for probable mistakes, their statistics are shewn in their fluctuating paper money. Recently the Director of the Municipal Statistics of this City, one of the Directors of the Argentine national census, has been requested by the Chilian Government to organize their general statistics on the Argentine system. Mr. Francisco Valdes and Vergara, one of the first statesmen of Chile, complains of the imperfection of all the Chilian statistics. In a letter published in 1896 addressed to Mr. Albert B. Martinez, our competent Municipal Statistical Director, he says—

« I must confess that as a Chilian I feel jealous of the extraordinary progress made by the Argentine public administration and statistics. . . . The Chilian statistics have not made any improvement at all, they are simple copies of a very old system, their commercial statistics have an absurd classification of foreign merchandise. In the same chapter, locomotives, asses and mules are confused, under the pretext «that they all serve for locomotion».

« In the chapter machines, machinery and other articles for industries and arts, the machinery in



BUENOS AIRES—Zoological Garden, founded under the direction of Dr. Edward L. Holmberg, by the May Francisco Seeber — 1889

general for industries appears mixed with corks for bottles, thread, plate glass for mirrors, fire-bricks, old sacks, silk thread, etc. This lamentable confusion makes our statistics sterile being neither useful for appreciating accurately the development of the country nor for making comparisons with other statistics ».

These facts prove that you are ignorant of the details, that you have not had before you the Argentine and Chilian statistics and that perhaps your information has been taken from wrong or biased sources.

In a book recently written by me, of which I shall have the pleasure of sending you a copy in English, I proved that according to Chilian statistics in 1900 the exports to Great Britain were 46 $\frac{1}{2}$ millions of dollars and yet the British statistics only mentioned 24 $\frac{1}{2}$ millions as received.

Statistics are more or less wrong in all countries, and you hear complaints everywhere. I have just read in S. Whinery's book on United States Public Works — page 3: — «Unfortunately, the statistics of the business have never been collected and published, and we have no exact data relating to the money now invested in improvements of this character, or of the cost of operating and maintaining public works in the past».

You say «Paraguay lost a round 1,000,000 of its 1,250,000 during the Lopez war». This is a great mistake, Paraguay has never had such a population. In 1864 a year before the war, its population only reached 700,000. General Bartolomé Mitre, the first of our historical writers, ex-President and Director of the war, says, in a letter addressed to me: — «In 1862 Colonel Du Graty in his book on Paraguay attributes 1,337,000 inhabitants, an exaggerated figure as the work was written to please Lopez; the author even refers to a pretended census made in 1857. In 1864 from 600,000 to 700,000 inhabitants was generally calculated for Paraguay and I believe that this is what it may be ».

Your «Encyclopedia Americana» of 1851 calculates a maximum of 300,000. How could a country without immigration and so far away from European contact increase from 300,000 to 1,258,000 in 14 years?

How is it possible that a country of only 250,000 kilometres could have nearly in 1864 as many inhabitants as Argentine with 2,900,000 kilometres when Argentina with its advantageous geographical situation, the fertility of its soil, and a far healthier climate only reached 1,500,000? Paraguay has now 700,000 inhabitants, so that what they lost during the war have been recovered.

The increase of the more southern countries of the continent has been in the following proportion, during the last 15 years, according to their censuses, some of them to be taken with the «benefit of an inventory—».

Paraguay.	133 %
Argentina	60 %
Uruguay	54 %
Brazil.....	37 %
Chile.....	24 %
Perú.....	15 %

Bolivia has decreased 10 %.

If the 15 % added for probable errors in the last Chilean census should be deducted the increase in Chile would be only 9 %. Chile has had an average mortality in 1901 in the different cities which varies from 44 to 108 ‰—the birth rate being 36.7 ‰ and in the camp it is more or less the same, Chile does not receive any immigration and a considerable number of natives go to Argentina, Peru and Bolivia.

Let us now compare the productive capacity, instruction, communications, postal and telegraphic, riches, etc., of these two races, of which you give preference to the Chilean, in 1902.

	Chilian	Argentine
Import per head.....	17.—	24. —
Exp. do. do. with nitrate....	22.—	—
Do. do. without do.....	7.—	35.—
Revenue per head (Chile including duties on nitrates).	12.—	—
Do without nitrate.....	6.—	15.—
Scholars per centage.....	3.70	10.—
Postal movement per head..	21.—	77.—
Railway, per 1000.....	1.48	3.50
Banks, dep. per head.....	8.80	28.—
Telegrams per cent.....	40.—	75.—
Capital: deaths per 1000...	50.—	16.2
Do Births, do do.....	36.7	37.2
Population in capitals.....	261.000	1.000.000

Colonel Sir Thomas Holdich in his recent conference at the British Geographical Society has said : — « I observe that in the Chilians the sentiment of nature is more developed, from which they seem to understand beauty better than the Argentines. In the latter, in exchange, greater facility for appreciating man's work is noticed, and they recognize an admirer of human activity. Argentines possess a larger dose of imagination and they have a national art and literature ».

The Hon. W. Haggard, Minister of Great Britain in Argentina, finished his speech in the following enthusiastic manner, when he presented his credentials: — «I take advantage of this

opportunity to beg your Excellency to accept the expression of my sincerest wishes for your rich and beautiful country, over whose destinies you have been called to preside, and I may venture at the same time to express my admiration of the many proofs of that progress and prosperity which have greeted me on my arrival at its splendid Capital ».

You say that the Chilian is a homogeneous population created by the full union of the Spanish and Indian, the proportion varying in different ranks. First of all — What do you understand by a homogeneous population? Have the United States one? Not at all. You receive immigration now at the rate of one million per annum, from all the different races of the globe — the Italians predominating. You have ten millions of coloured people.

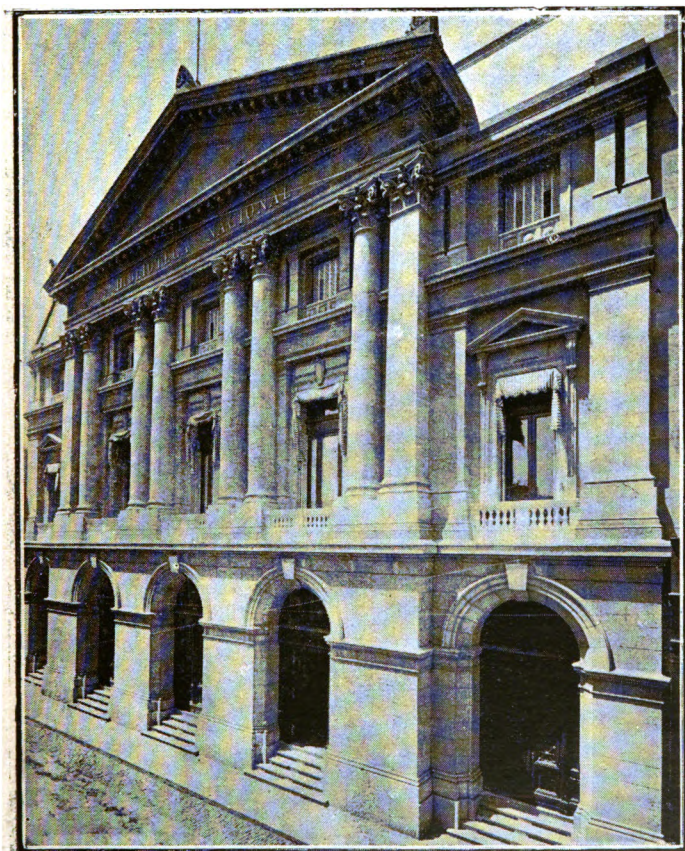
But if amongst your population there does not exist a homogeneous original race, it is homogeneous in tendency, in their love for liberty, in their veneration for their country and its banner, in their sentiment of greatness, in their ideals for education and labour under the rule of your free and energetic government. Moreover the 150,000 Indians existing at present in Chile belong to 10 different races, and the Araucanians are the fewest in number!

You will have noticed in the figures given by me that in Chile only 8,000 persons are Spaniards against 200,000 in Argentina. More Spanish blood naturally is to be found in Argentina, but even so the European, pure blood, not counting their children, represents more than 33 % of the whole population of Chile, and the 800,000 Europeans, not Spaniards, have given to the Argentine quite a different character from that marked by the Spaniards.

None of the ethnical influences of the Araucanian mentioned by you are fortunately noticed in Chile. The directing class is always the white race, without any mixture at all ; sometimes the names are Basque like Errazuris, Urmeneta, Irrazabal and sometimes also English like Edwards, Lyon, Mac Clure, etc. There is a certain aristocratic leaven in the elevated classes, and they have not like the Argentine the middle class, which constitutes the active force of all nations.

You say «The Araucanian is, on the whole, the best of South American stock, and it has blended with the white, to the great benefit of Chile. Argentine has a river Indian, Guarani and Calchaqui, and a plains Indian, from whom comes the gaucho, both a poor stock for its metis, as is apparent in its history ».

Our history does not teach us anything of the



BUENOS AIRES—National Library—Architect. Marquis Carlos Morra

kind. The gaucho is not a mixture of Spaniards with Indians, but a genuine descendant of the former; the descendant of the conquerors of the soil on which they live. The mixture of races was made by accident; it was a consequence and hazard of the war, which has not had any influence upon the conditions of the dominator. The only race with which the Spanish crossed was the Guarani, the most civilized and agricultural tribe that existed in their villages and which even to day possesses the bravery that it displayed when helping to expel the Portuguese from Sacramento Colony. The pure gaucho has always retained a deep hatred toward his natural enemy the Pampean indian. The Pampa indian, on the other hand, belongs to the great Araucanian family, which from the time of the conquest crossed arms with the Spaniards. Don Pedro de Mendoza sent against the tribes which inhabited the surroundings of the growing village of Buenos Aires, under the command of his brother 400 infantry, and a few cavalry. The indians defeated them and made a horrible carnage in the lines of the battalion, which was only interrupted by the arrival of night. From this event the river Matanzas (Massacre) the Riachuelo takes its name.

They forced Mendoza to abandon the country in 1537. From that time the fight between the

racas has been incessant and this has contributed to form the valiant and audacious character of the gaucho. This struggle has continued 243 years, the Indians disputing their position inch by inch, until they were finally forced to the other side of the Cordilleras by the strategic plans carried out in 1878 by General Roca, our actual President. If you think that these judgments are biased please consult the celebrated Darwin, who had no reasons for flattering the vanity of the natives of this country, Dorbigny, Azara and others will tell you the same thing. Azara states that the Pampa indians and their ramifications in Santa Fe, as well as the Charruas, who killed J. de Garay, and Solis, have cost more lives to the Spaniards than the rest of their American conquests. Those that crossed most with indians were the Spanish settlers of Perú and Bolivia because they were weaker races, which were easily dominated.

In the war of independence in which Chilians and Argentines fought together in Chile and Perú, the greater part of the commanders and soldiers were Argentines and history does not present a single case of the inferiority of the latter race. I do not believe much in the strength of a race by its natural force or courage, I believe in the strength of education, discipline, wellbeing,

and development of the mind; and the figures I have put before you demonstrate that what you call «gaucho» race is by no means inferior to the pretended mixture of the Spaniard with the Araucanian. Briefly you may be sure that both history and actual observations demonstrate that the «gauchos» have distinguished themselves and continue doing so by their energy, haughtiness, vivacity and especially by their valour; an exaggerated belief in personal courage prevails amongst them. When I was reading the interesting descriptions of the adventures of President Roosevelt and his life amongst the cow-boys I felt that I was amongst our «gauchos» and their exploits, with the difference of arms only, as the latter do not know the use of the revolver and fight only with a long knife or poignard. It is not true that the Araucanian indian has been sensibly superior in bravery or resistance to the pampean indian, especially to the Guarani or Charrua.

Almagro conquered Chile with 600 Spaniards and in the battles between Almagro and Pizarro (none of them were Basques; Pizarro was born in Extremadura and Almagro in Almeria, far away from the Cantabric Sea) there fell, like good Spaniards, more of their own men, including both of the great leaders, than were necessary to dominate the whole empire of the Incas and

the Araucanians together. If you give such importance to the immigration of a few hundreds from the Biscayan Provinces, who, you say have reflected their energetic and warlike temperament on Chile, why do you not give a relatively greater importance to the 100,000 French and Spanish Basques existing in the Argentine actually, our immigration for the last century having taken from the Pyrenees a large number of their population thereby alarming the French Government? Many of their descendants occupy high positions and are or have been Presidents, Governors, Ministers, Deputies and Judges, physicians, lawyers, etc. The influence of the Basque is so great that the well dressed gaucho of other times with his felt hat, his rich poncho, his « cinturón » with great silver buttons and top boots is now partially replaced by a man with hamper sandals and a round cap.

Chile is an agricultural and mining country and has 4 inhabitants for every kilometre; we Argentines are principally cattle and sheep breeders but also agriculturists and have only $1\frac{3}{4}$ inhabitant per kilometre. We shall export 108 millions of the former produce and 100 millions of cereals in 1904. Chile exports all but nothing of all these and is forced to import cattle as well as cereals.

You think that Chilians (Araucanians as you call those who were always nomads then) prove to have a greater capacity for the «pueblo» because 45 % of their population is urban. We have nearly as much, 43 %, and what I regret is that our proportion of country dwellers is not greater. Even so, you may take into consideration that we, with our «gauchos», obtain a more favourable proportion in many details which affect the general development.

Our capital alone has 300,000 inhabitants more than the 24 Chilians cities, including Santiago and Valparaiso.

« If Brazil maintains stability over a wide area « it is because its white population is larger ». This is your theory and I am surprised to hear such assertions. Argentina and Uruguay have no negroes or mulattoes, the Indians are extinguished in Uruguay and in Argentina they run to barely 50,000. Brazil has 8,700,000 negroes, mulattoes, mestizos and indians — 2,700,000 more than the whole population of Argentina and Uruguay together, and even with the great predominance of the white race they have had less stability than Brazil because the Brazilian race is not so warlike as that of the former countries and because they had in their dethroned Emperor one of the cleverest, most liberal and most prudent of statesmen, and after the proclamation of the Republic, ex-

cluding Rio Grande, they have maintained a relative respect for their authorities.

All the influence mentioned by you of the Moors of Andalucia in Argentina and the Basques in Chile, which has pitted them against each other in a long struggle for supremacy in the new continent, is a story of which neither Chilians nor Argentines know anything about. Separated by unsurmountable Cordilleras, the former have lived, trying to dominate in the Pacific, the latter, after the dismemberment of the vice-royalty of the River Plate, have lived eliminating their tyrants and settling their internal troubles without pre-occupying themselves in defending anybody or in increasing their territory. In 95 years they have had only a short war with Brazil and the Paraguayan war provoked by a fool and despot.

A prominent Argentine soldier like San Martin, and the Chilian O'Higgins of Irish extraction, as well as the English Cochrane and Brown have done more for the independence of Chile than all the Basques together. The same thing happened with the Argentine Sarmiento to whom the reform in education is due.

I believe, moreover, that here there has never been jealousy between these two peoples. At the time of the Rosas tyranny Chile received with open arms our leading men, and Mitre, Sarmiento,

Tejedor, Gutierrez, Alberdi, Ocampo and many others were the first champions of the liberal party in the Chilian press. Chile feared that Argentina would interfere in its questions with Peru and at the same time their public men made all possible efforts and did not shrink at any expense to prepare their country for war to get as much land as they could obtain in their boundary difficulties with Argentina. No sensible Argentine complains; they were in their right. King Edward's conciliating arbitration has put an end to this dispute, the new battle ships of both countries in construction have been sold, both countries are satisfied, they have commenced to reduce their unnecessary expenses; Argentina has reduced 10 % additional duties on the imports and both countries prepare themselves to work and recuperate sums of money unnecessarily expended on war material.

Argentines have recently fulfilled a very scientific and humane duty, starting for the South Pole, in the war sloop «Uruguay» and in 14 days they saved the Swedish expedition of the wrecked «Antartic» in which was also an Argentine marine officer. Your-never-to be forgotten by us, Ministers Osborne, Buchanan, and Lord, will tell you what we are and what we shall be. The interesting lectures of your eminent Engineer Mr. Corthell in

several cities of the U. S. about Argentina are also to be recommended to those who wish to know the real state of this country.

We have nothing to fear from our good neighbours. They are and will continue to be our consumers and we are interested, not only from sympathy, but for our convenience, in their prosperity and riches.

Mr. Barrett, your present sympathetic Minister, a man of truth, said in his reception speech : — «In expressing my appreciation of being commissioned Minister to this great Capital, I should be unmindful of the true feelings of the United States Government and people if I did not emphasize to your Excellency the growing admiration and respect which from closer study and knowledge are entertained in the United States for the past achievements, the present progress and the future potentialities of this resourceful sister Republic. The persistent struggle of Argentina to evolve a self-sustaining nation; her triumphant conquest over civil dissention; her reserve force of military heroes and patriotic statesmen ever ready to serve her in the hour of extreme peril; her gradual mastery of the problems of government, education and commerce, confronting a new Republic and a virile people; her variety of temperate climate fostering the highest development of citizenship

and civilization; her vast fallow area providing limitless agricultural and industrial possibilities, and her marvellous conformation of well-watered lowlands, indented by natural harbours and drained by numerous navigable streams, sloping back to fertile or forested highlands are in many respects the South American counterpart of the historical annals and the economic and physical conditions of the United States of America, so that the two nations and peoples must always experience a high and peculiar degree of sympathy and mutual confidence ». I do not continue the transcription of the eulogistic speech of your open-hearted and enlightened Minister, but you may be sure that the United States have all to gain in selecting for its representative such highly endowed men as Mr. Barrett. He has gained from the first moment the greatest affection of the whole country and I have not seen up to the present that any other South American country has received so expressive a panegiric.

The missionary Mr. Emile Olsson, in a recent lecture given in London. says among other things the following about Argentina : — « I have travelled through more than 20,000 miles of the American territory, penetrating into the interior of this great continent populated by 42 different nationalities. The Argentine is a marvellous

country of extensive resources, it has not more than 5 millions of inhabitants though it has room for 150 millions and with millions of acres suitable for cultivation. This country has a special interest for those who may dispose of £ 300 or over and who have knowledge of agriculture and cattle and sheep breeding, and offers more advantages than the United States and Canada, because its climate is more favorable. It is also a magnificent country for industrial enterprises, for the resources in this sense are absolutely unlimited ».

Well, Sir, my reply is rather long but I hope that these explanations may clear many minds, as South America is not well known in the civilized world. In the province of San Luis we have and excellent marble, onyx, we can say, which is sold now in Paris under the name of Brazilian onyx. San Luis is 3,000 kilometres distant from the Brazilian frontier. Some Argentines have remonstrated with the seller and requested him to change the name, but he objected on the ground that it was already known under this name and that the change would injure his interests.

Believe me Dear Sir

Yours very truly

FRANCISCO SEEGER.

Argentina

MESSAGE OF PRESIDENT GENERAL JULIO A. ROCA TO THE NATIONAL ASSEMBLY OF SENATE AND CHAMBER OF DEPUTIES.

May 5th 1904.

Peace and administration was General Roca's Motto on his first presidency, and it has been demonstrated by his first, as well as his second period, that this has been largely fulfilled, as will be seen by the extract of his last remarkable message. Never has this country had a greater development enjoyed greater liberty and richness, nor secured a more steady progress than during these last six years.

Gentlemen Senators and Deputies :

For the last time I have the honour of inaugurating your sessions, and grateful we ought to be in being able to realize this constitutional act in a propitious situation of credit, well-being and general prosperity.

The Argentine Nation is being developed in extraordinary proportions, materially and morally, and its future greatness is no longer a vague and uncertain aspiration of patriotism, but takes the aspect and character of reality.

She will now be able to devote herself to the perfecting of our social and political institutions, without haste or violence, with the serenity of sound and vigorous organisms conscious of their strength and with sincere and profound love for our country.

You know that the Colleges of Electors who have to choose the future President of the Republic have been chosen in order and liberty, although, it may be, with the imperfections inherent to every new democracy. All tendencies and parties have been enabled freely to exercise their legitimate rights. The elections have shewn a notable advance upon those of previous periods.

Within a few months I shall deliver to my successor the power with which I was invested at a time of deep expectation and uncertainty, and this act which in former times produced so many agitations will, I hope, be realized in perfect tranquility and in the manner prescribed by the Constitution.

My successor will meet with increasing difficulties occasioned by the progressive development of all the elements of public life. The improvement of our political customs, the culture and credit of the Nation, the material interests which are growing and demand new guarantees and securities augment the responsibilities of the Gov-

ernment and call imperiously for the stability and the maintenance of the constitutional order of things.

As regards myself, I can affirm that all my will and energy have always been at the service of the country, and that no other consideration has prevailed in my mind than that of the public good and the dignity and prestige of the Government.

I shall soon return to private life with a tranquil conscience assured of not having failed in my duties knowingly, of never having abused triumph or been guided by any but honourable motives. I shall retire without any bitterness in the soul, convinced that a long influence becomes pernicious in a democracy, but with immense faith in the future of the Republic, which has passed through so many vicissitudes without succumbing or retreating; I shall retire with feelings of profound gratitude towards those who assisted me and towards my fellow-citizens who have sustained and stimulated me with their support or advice in difficult moments, owing to which I believe that I have contributed something to the strengthening of the institutions and augmenting the dominions of the State and to the consolidation of peace at home and abroad, without prejudice to the National honour, and to establishing firmly the Federal

power without which it would have been impossible to emerge from the anarchy, latent or manifest, in which we lived until this city was made the Capital of the Nation.

I know what to expect from the varying judgment of the present hour, from the decree of contemporaries living amid the passions and resentments engendered by the daily strife, by the political interests of circles and parties and by personal ambitions, not always justifiable, and I shall await without inquietude for the judgment of the future, more just and impartial, less bitter and more tolerant for the human weaknesses which affect public men of all countries and of all times.

FOREIGN AFFAIRS

The Republic maintains cordial relations with the rest of the world and especially with the nations of America.

The pacts entered into with Chile have definitely established a policy of peace and of frank and loyal friendship between the two peoples and are destined to exercise a beneficial influence on international relations in this part of the continent.

The gravitation of the political and economic interests of these countries will necessarily lead

to a more equitable criterion for harmonizing their respective laws, in the sense of favouring the expansion of their commercial policies and the interchange of their native products.

INTERIOR

The political situation of the republic last year was normal, the relations between the nation and the provinces being quite harmonious.

Buenos Aires province had to be «intervened» twice, and the result was the regularization of the Legislature, which had ceased working for a whole year, and had suspended its relations with the Executive. The elections held in the province on November 30th, 1903, were fully guaranteed, and the voting was quite free.

Since August last the Executive has devoted special attention to the first trial of the new Electoral Law. The electoral census of the republic gave the extraordinary number of 595,887 voters, of whom 53,220 are in the capital, and only 945 of these do not know how to read or write. The first application of the Electoral Law proved that all who went to the urns voted in freedom and safety in all parts of the republic. There can be no doubt that the new electoral system is a great political step in advance,

and it is to be hoped that the influence of the law will lead to the formation of permanent political justice based solely on the exercise of the suffrage.

I referred in my last Message to the increasing intensity of Labour movements, the organization of the working classes in their struggle with capital having at times been able to stop trade and disturb public order. This phenomenon need not surprise us, as the republic is now a vast industrial camp in which the working man struggles to obtain the benefits given to him by law in other countries. Governments must forestall inevitable events, if violent crises are to be avoided. A project for a Labour Law, to regulate the relations between Labour and Capital will be laid before you this session. It will provide conciliatory means for settling all disputes, and will be an incentive to immigration. In the United States and Australia, two free countries, which are models, immigration has been purified, so that it increases the vitality of the State, and the Bill to be laid before you will contain similar provisions.

The Post Office and Telegraph service continues to expand. The total transport and communication of last year was 17,101,145 kilometres, of which 14,012,439 by rail. 365,901,000 letters and newspaper were carried or 72 per inhabitant.

The total length of telegraph lines is 23,043 kilometres, 1,872,832 messages were transmitted. The receipts have exceeded those estimated (\$ 2,640,000 gold) by \$ 44,736. Money orders were drawn for \$ 3,808,857 gold.

Although the Police had extra work to do, owing to the political preparations for the recent elections, the working of this department was as satisfactory as usual. The reform of the Penal Code has reduced criminality in the capital, but a new prison is urgently required as the accommodation in the Police Department for those under arrest is quite inadequate, neither is there, any longer, place for them in the Penitentiary. The Gambling Law has been efficaciously applied since the Appeal Court defined its scope.

The Sanitary condition of the country was excellent last year, the mortality in the capital for the past two years being only 16 per mil. There was no exotic disease anywhere, excepting a few cases of Bubonic Pest in Tucuman. The new sanitary regulations for ocean steamers in the inner port of this city have given excellent results. The Sanitary Tax has supplied funds for the installation of a Bactereological Institute. The new Vaccination Law promises to soon free us from the scourge of small-pox.

The Executive has contributed as far as pos-

sible to the development of the National Territories, but their Municipalities need reforming. A current of population has now set into them and large amounts of capital are finding their way into pastoral and agricultural industry. The Governors of the Territories all report the most flattering progress. The population of the capital is now 903,381 souls, the second Latin city in the world, and the healthiest and most attractive in South America. The population will probably be a million on the first centenary of Independence.

The Municipality has paid off its floating debt and for the first time shows a surplus of revenue of \$ 185,240 gold.

FINANCE

In order to appreciate the progress that we have made in economic and financial matters, we have to take note of the point of departure. At the date of the commencement of the present Administration, the service of amortization of the foreign debt had been suspended, the amount of the debt being then about \$ 300,000,000 gold. The Nation was also burdened with a consolidated internal debt equivalent to \$ 44,000,000 gold and a floating and demandable debt of \$ 35,200,000.

The provincial debts, considerably augmented by the capitalized interest in respect of the arrears of several years, weighed indirectly upon the national credit. Our best securities, strongly guaranteed, were quoted at 89 %₀. The Executive had just been authorized to contract a loan for \$ 30,000,000 gold, specially guaranteed by the alcohol tax, and no acceptable offer was made for floating it. The foreign credit of the Nation was exhausted, and so, also, was its internal credit, recourse having been had to a «Popular» loan to meet the expenses required for the national defence. It had also become necessary to make a considerable addition to the customs duties.

The picture presented by the present situation is very different. In 1891, the full service of amortization of the foreign debt was re-established. This debt has been very little augmented, the only additional bonds put in circulation having been those which were, previously, the property of the Government and which served as security for debts contracted at short dates. Last year, the first loan obtained by the Nation (£ 1,00,000 in 1824) was extinguished. The consolidated internal debt has been reduced by more than \$ 13,200,000 gold, notwithstanding new issues made in fulfilment of special laws. This internal debt is amortized rapidly and will be extinguished in a short

time. In the previous year the amortization of the debt denominated « Warriors of the debt Independence » was completed. The floating and demandable debts have been almost entirely discharged.

Argentine credit has been raised to a high level. Our Six per Cent bonds are quoted at a premium. The Five per Cents are at par. Discounts have fallen to 4 % in the market. The Executive has received from Europe frequent offers of loans at 3 %, without any guarantee. All the expenses of the Administration have been paid as they became due. The money is ready in Europe for payment of the coupons of the foreign debt due July 1st, and the National Treasury has funds deposited in the Bank of the Nation equivalent to \$ 5.280.000 gold, and has had no need, since the middle of last year, of obtaining advances from that establishment. The provinces have, with the aid of the Nation, arranged their foreign debts. We have returned to circulation important sums which had been extracted in the form of taxes to attend to urgent necessities. This is the synthesis of the work realized under this Administration, as will be demonstrated by subsequent detailed reports.

From the 1st day of January of this year, the two additional custom duties of 5 % each have been totally suppressed, in accordance with the legislative authorization, and thus was removed

a burden upon commerce which made the necessities of life dearer. The suppression has stimulated consumption and has therefore increased the public revenue which is based upon it. The impost upon natural wines was also suppressed from 1903.

The revenue of 1903 exceeded that of 1902 by \$ 6,500,000 gold and \$ 6,000,000 ^m/_n, equivalent, together, to \$ 9,108.000 gold. The total revenue was equivalent to \$ 75,521,760 gold. The import duties, alone, gave in the first quarter of this year, compared with the corresponding period of 1903, an excess of \$ 3,576,000 gold, although in the latter year the Treasury had received additional duties that have been suppressed this year, as before mentioned.

In the first three months of this year, the Treasury receipts amounted to nearly \$ 22,000,000 gold or \$ 3,608,000 more than in the corresponding period of the previous year. The law of the budget for 1903 authorized the expenditure of an equivalent of \$ 73,920,000. The revenue exceeded the ordinary expenses by \$ 2,244,000 gold but it was indispensable to authorize, by resolutions of the Cabinet, the expenditure of \$ 1,249,160 gold, which has to be deducted from that excess.

The executive has abstained, as was announced on another occasion, from making the authorized issue of bonds for \$ 15,000,000 gold for public works. The respective obligations have been met by disposing of the surplus of the bonds pledged in Europe and sold in the manner known.

The Executive had to pay to the Bank of the Nation the equivalent of \$ 4,969,624 gold which was received in bonds of the National Internal Loan. That obligation has been duly satisfied, and thus the operation imposed upon the Bank by the law of its creation has been settled and important resources, till then immobilized, have been returned to it.

The circulation of Treasury bills, which had assumed considerable proportions, from the necessity of making use of that form of credit and thus anticipating the resources of the Budget, has been reduced to a minimum amount which will be covered by the funds assigned for the purpose by the same law.

The importation of gold in 1903 reached \$ 26,086,000 gold, exceeding that of 1902 by \$ 17,177,000. The metallic current has continued to increase this year. In the first quarter, it exceeded \$ 14,000,000 gold, over double what was imported in the corresponding period of 1903. Most of this gold has flowed into the Conversion Office, thus raising the amount deposited there to \$ 44,000,000 gold.

This enormous affluence of gold, represented in the circulation by the paper money which the Conversion Office gives in exchange for gold and the favourable rate of international exchange testify to the riches and productive power of the country and contribute to the improvement of its credit in the markets of the world.

The paper money in circulation without any metallic guarantee is less by \$ 2,000,000 $\frac{m}{n}$ than in 1898. This fact demonstrates that during the last five years, notwithstanding the difficulties in which we have been involved, not a single inconvertible note has been placed on the market.

The Bank of the Argentine Nation is also able to prove the progress of the country in which it

has been an important agent. Its deposits in paper money, which in 1898 amounted to \$63,000,000 m/n , had risen at the end of 1903 to \$106,000,000 m/n equivalent to \$46,640.000 gold.

The liquidation of the National Bank continues without difficulty ; every dollar of the private deposits has been paid, and the Bank not only makes the service of its liquidation bonds and of its foreign debt with regularity, but, every year, reduces the principal of the debt by important amounts.

As the Nation is in the full career of prosperity, is attending religiously to its foreign debts, is rapidly amortizing its internal consolidated debt, and has extinguished its floating debt without having to provide for additional obligations, the new Administration will be able to obtain a diminution of the interest on our bonds, by converting them into others bearing a lower rate of interest, and it will also be able to suppress the export duties on wool, thus adopting the good principle of all producing nations. which do not place imposts upon exportable articles. The

sums thus economized may then be employed in public works of a reproductive character, unless preference should be given to the diminution of the weight of general taxation.

JUSTICE AND EDUCATION

A revision of the Penal Code is necessary for correcting manifest errors in and omissions from the reformed Code now in force.

The Palace of Justice is in construction, as well as improved prisons and correctional houses.

The lamentable incidents that occurred in the Law Faculty of the University of the Capital were but symptoms of a profound crisis, and demonstrate the need of a permanent reform of the organic law of 1885, for which purpose a bill will be submitted to you providing for the formation of the superior professorate for providing with the indispensable element for accomplishing its task and for organizing its Government with power sufficient for guaranteeing its perfect working.

For the Pedagogical Seminary 6 professors have been contracted in Germany, selected in concurrence by the imperial government between hundreds of candidates.

Our country with a population, disseminated in great half populated regions gives instruction at present in 4682 schools attended by 12,610 teachers to 491,301 pupils ; 18,876 more than in 1903. In the capital the assistance has reached the number of 68,922.

AGRICULTURE

The widening of the sphere of action and influence of the Ministry of Agriculture is a noteworthy feature of the present administration. We have faithfully carried out the plan traced in 1901. The Ministry has been very busy. A definite plan for the surveying of our territory, agronomic exploration, for gathering samples of soil, water and pasture, and for meteorological observations is being followed. A technical statistical agricultural inquiry has been made. Our cattle industry has been properly studied. In a word, we have omitted no effort to equip ourselves for the world's great commercial struggle. And this work will not only redound to our advantage at home but smooth the way for immigration and capital. The results of our labours will shortly appear in book form.

Surveys have been made of all our fiscal lands. We have 16,292 square leagues in the South. The

sixty leagues for the Boer Colony have been sub-divided in the Chubut territory, and in Tierra del Fuego the surveyors are at work dividing the territory into lots of one league.

The Asp and Astrada Expedition in the North have been attended with successful results. A cart-road has been traced from Buenaventura Colony to the mouth of the Pilcomayo. One hundred and thirty-two leagues in the Chaco, South of the Bermejo, are being surveyed. Similar work is being done in the Misiones Territory.

Our complicated land legislation has been reformed and simplified by the new Land Act. The sale and lease of land to settlers are thus simplified, and the old red-tape has been suppressed. Four hundred leagues in Chubut have been offered for sale, of which 61 have been already granted, and 240 leagues near Cabo Blanco have been offered on lease, as well as 1,075 leagues in San Julian.

A committee has been appointed to look after our forests and prevent their destruction. We have 1,400,000 square kilometres of forest land of valuable timber such as the quebracho, pine, fagus, etc.

The growth and development of our meteorological stations has been extraordinary. Two years ago we only had 40 stations. To-day we

have 700. A meteorological chart is published every day. We have opened a station on the South Orkneys. Our meteorological service will very shortly be on a par with the most perfect in the world.

In pursuance of the law of 1902 we opened a fruit exhibition to shew the country's resources in this respect. The results have proved most satisfactory. Our export of fruit to Europe is a new and promising industry.

Agronomic schools have been opened all over the country.

The committee named to study the carboniferous formation and the sheets of water are doing good work. Three boring machines have been ordered from Europe and the United States.

We are preparing to take an agricultural and pastoral census. Already we know that the area under cultivation shews an increase of 16 % on the previous year. We have 4,320,000 hectares under wheat and 1,488,000 under linseed. Our harvest this year has been abundant, and the quality very good. The production of wheat this year has been 3,726,000 tons, of which 2,766,000 were available for export. That of linseed has been 883,000 tons, of which 783,000 has been available for export. We have already 1,112 hectares under cotton. This industry has a great

future; strong companies are being formed to work it.

As regards the cattle industry our sanitary law has proved most useful. We have now a perfect system of sanitary inspection which enables us at once to mark an infected district.

We have secured the services of an eminent biologist to study our fisheries and we are now introducing salmon, trout and other fish into our lakes and rivers.

Our flour-trade with Brazil having been threatened by a bill in that country in 1901, our efforts were directed towards preventing the passing of the bill, and succeeded. At present we are threatened with a differential duty, and we are endeavouring to neutralize its effects.

A special committee have prepared our exhibits for the St. Louis Exhibition and I may confidently say that the Argentine Republic will be well represented.

Our trade figures always show an increase. The total movement in 1898 was \$ 241,258,238, in 1903 \$ 352,191,124. With the suppression of the additional dues this movement must continue to increase. Our exports in 1903 were \$ 220,984,524 gold, an increase of 65 % on the figures of 1898. Agriculture has of course contributed most to this wonderful increase.

The balance of trade which in 1902 was \$ 76,447,471 gold was in 1903 \$ 89,777,924 gold. The increased exports of wheat and other cereals explain the growth of the balance of trade in our favour. Our imports for the first quarter 1904 has been \$ 43,200,622 gold an increase of \$ 9,761,124 over last year's figure, and our exports \$ 73,324,442 gold for the same quarter show an increase of \$ 3,883,240 gold. The surplus of exports over imports in the first quarter of 1904 is \$ 29,933,824 gold.

The export of butter, which in 1903 was 5,330 tons, amounts in the first quarter alone of 1904 to 2,051 tons, valued at \$ 820,000. These figures which proclaim the wonderful growth of the country, point to the advisability of attracting agricultural immigrants to our shores.

Our immigration figures are more satisfactory. In 1902 the balance of immigration in our favour was 17,682. In 1903 it was 37,524, and in the first quarter of 1904 it is 15,547.

PUBLIC WORKS

When the present Administration was initiated there were 16,081 kilometres of railway in exploitation, of which 1,780 belonged to the State. The figures are now, respectively, 19,011 and

2,024, and the amount invested in the railways is \$ 586,000,000 gold, of which the sum of \$ 46,288 351 is represented by the lines constructed since October 12th., 1898. There are also 2714 kilometres in course of construction (of which 1481 are national) which will cost \$ 52,800,000 gold, and surveys are being made for 1,690 kilometres of line on account of the Nation and for 3,496 kilometres to be constructed by private companies.

The figures given do not include rural tramways, with mechanical traction, 615 kilometres in length.

When the new railways have been completed, the Northern provinces will be served by a network extending to the Calchaquies valleys, the richest and most productive part of Jujuy, Bolivia and the Chaco through Oran, and to the western part of Rioja and Catamarca. The Tinogasta railway will connect us with Copiapó and the Pacific ports. The line from Serrezuela to San Juan will place this province in communication with the northern provinces and with the ports of the littoral.

During last year 21 millions of passengers and 15 $\frac{1}{2}$ millions of tons of merchandise were transported by the railways.

The total receipts reached \$ 53,308,404 gold, or \$ 10,035,819 more than in 1902. The profits

amounted to \$ 25,960,000 gold, being an increase of \$ 5,661,400.

The State railways produced \$ 2,338,000 gold. In 1899 the Andine Railway produced \$ 473,705 gold with 68 % working expenses. Last year the latter were reduced to 41 %.

The Central Northern Railway, always worked at a loss formerly, yielded, last year, a profit of \$ 447,731 gold and the working expenses, which represented 114 % in 1899 fell to 66 % in 1903.

The North Argentine, which in 1899 scarcely covered 46 % of its expenses gave a profit in 1903 of \$ 8213 gold.

During the last few years 14 bridges have been constructed, or almost entirely reconstructed, and the other bridges and 4000 kms. of roads have been kept in repair, the latter figure including 800 kms. of new roads.

The law 4301 passed in January, authorized the construction of 70 bridges and 3,0000 kilometres of roads, some of which have been commenced.

On January 1st., 1899, there were only 64 buoys in the rivers; since then, 220 ordinary and 111 luminous buoys have been placed, marking 900 kms. of navigable channels; by the end of this year there will be 310 ordinary and 200 luminous buoys.

The triangulation of 3,300 square kms. has

been completed in the River Plate; the Paraná has been surveyed to Paraná and Santa Fé to the extent of 500 kilometres; the rest of the river has been carefully examined to 50 kms. above Corrientes, also the Uruguay to Asunción and the Bermejo to Oran. In the Uruguay the survey is complete for 300 kms while preliminary examinations have been made of 500 kilometres more.

The quantity of mud, etc., dredged in the said period has been 23,000,000 cubic metres, which has increased five feet the average depth of all the "passes" and channels.

The interior port of Concepción del Uruguay and the Diamante mole have been constructed, and the ports of Rosario, Paraná, San Nicolás, Colón, Gualeguaychú and Gualeguay are being constructed and those of Concordia and Santa Fé will be begun very shortly.

In 1899, the dredging train worked 16,000 cubic metres daily; now the quantity is 61,000 c.m.

The military port will soon be utilizable as a commercial port for receiving ships of the deepest draught known.

The dam of the river San Juan has been reconstructed, and the dams of the Rio Quinto at Villa Mercedes are almost completed.

In the Federal Capital, since 1898, the quantity of water taken from the river and filtered has

been doubled and the service has been extended to seven new districts, two of which are now in course of construction.

The sewers are being constructed in eight new districts, comprising 10,600 houses, on an area of 650 hectareas.

Water-works are in course of construction in the cities of Corrientes, Santiago, Jujuy, Catamarca, Rioja, San Juan, Mendoza, San Luis and Santa Fé. To Paraná and Salta both waterworks and sewers are being supplied. The plans for water-works and sewers are being prepared for Córdoba and sewers for Santa Fé and Mendoza.

The Palace of Congress is advancing towards completion and the transfer of Presidency will be made in it.

W A R

The Army has arrived at a degree of perfection which makes it an efficient instrument for the progress of the country as well as for its security. The law of obligatory service has been applied with justice and does not meet with resistance; the young men who come from all parts of the country not only receive military instruction, but are taught hygiene and gymnastics and the illiterate learn how to read and write and acquire some

notions of their civil rights and duties, and the soldiers are well fed.

If it were necessary an army of 80,000 men of the first line could be mobilized in 18 days, and be furnished with 400 guns of the most perfect type, with sufficient horses and with all the auxiliary services properly organized.

THE NAVY.

According to arrangements Chile sold the armoured cruisers *Libertad & Constitución* and we the *Moreno & Rivadavia* with a loss of £ 5.000 only.

With the greatest success, the old gumboat *Uruguay* properly transformed saved Dr. Nordenskjöld's expedition at the South Pole. This government has received the gratefulness of the government of Sweden & Norway and from numerous geographical societies.

The instruction of the Squadron continues to be gradually developed and with the greatest possible economy.

A portion of the Military Port will be used by merchant shipping and thus the State will recover a good part of the cost of a work which was rendered necessary by special circumstances.

The operations of hydrography and buoying of the River Plate have terminated and the navigation of the river at all times has been facilitated and trustworthy data have been obtained for ulterior works of hydraulics and fortification.

The most considerable work of the year on the South coast has been the erection of the light-house at Cape Virgins; other light-houses are being constructed for the general lighting of that coast among them being the great Recalada light-house near Bahia Blanca, which as a metallic construction of this kind has no superior in the world as regards its height and resistance.

A Commission has been appointed to draw up General Ordinances for the Navy.

Argentina

THE PROVINCE OF BUENOS AIRES

Governor Ugarte's Message to the Legislative Assembly

La Plata, 7th May 1904.

We extract the following interesting data contained in Governor Ugarte's last message concerning the progress of this important province. It may be said to be one of the most privileged pieces of land in the universe. It has an area of 305,000 kilometres nearly equal to that of the United Kingdom, being situated between the 56th and 64th degrees of long. West and the 33rd. and 41st. degrees of latitude South, with a population of only 1,350,000 inhabitants. The healthiness of its climate is demonstrated by its exceedingly low death rate which does not exceed 15 ‰, and it must be borne in mind that there are no sanitary works. Its fertile tablelands supply natural pasturage for 10 million cattle, 2 million horses and 60 million sheep the quality of which continues improving and their products might easily be increased fourfold. The same occurs with their cereals, only 10 % of the territory is under imperfect cultivation and possessed

of deficient means of transport. There are only 6,000 kilometres of railways the cost of which has been very high (\$ 33,400 gold per kilometre). The construction of rural railways becomes a necessity as does that of economical and extensive canals for navigation, so easily realized and the carrying out of which constitutes one of the most praiseworthy intentions of the present government. Elementary public education is one of the most constant preoccupations of the Government. 100,000 scholars attend the schools which does not represent more than 8 % of the population whilst in the United States the proportion is 21 %. This latter figure could easily be attained if the Governor encounters no obstacles in carrying out his scheme for leaving 1,000 new scholastic buildings of a type of construction, economical, rapid and hygienic.

Besides the advantages enunciated the Province of Buenos Aires has a mild temperature varying between + 10 and + 30 degrees Cent. which allows of the assimilation of the productions of every zone, it possesses 1,500 kilometres of river and maritime coast, accessible to sea-going vessels, with the ports of San Nicolas, San Pedro, Baradero, La Plata, Mar del Plata, Quequen, Bahia Blanca, San Blas and others projected.

The most salient points of the Message are :

In the schools 70 % of those registered belong to the first or lowest class and the generality do not pass the third. It was impossible to form a third class in 420 of the infants schools or a fourth in eleven of the elementary. This fact is sufficient to justify the reformation of schools and classes that is being put into practice. Legal procedure in civil, criminal and commercial matters will be reformed. With the sanction of the code of administrative litigation and the organic law of tribunals, which will shortly take place, justice will be improved. There is also interest in sanctioning the proposed law for Civil Service Pensions.

The antiquated system of public accountancy will be reformed as in likewise proposed with the constitution.

The budget for 1903 authorized the expenditure of sums equivalent to \$ 7,175,000 gold and \$ 6,401,000 have been employed on the budget estimate, besides \$ 474,980 paid by special laws and for back services.

The revenue yielded \$ 7,246,600 gold leaving a surplus of \$ 370,600.

The first quarter 1904 has produced \$ 3,396,700 or \$ 110,500 more than during the same period

of 1903. It is calculated that for the whole year there will be a surplus of \$ 660,000 gold.

The foreign debt has been served punctually and had been reduced on the 31st December 1903 to \$ 33,402,139 gold.

The internal debt on the 31st March last amounts to: (reduced to gold).

5 %o Bonds	\$	786,500	gold
6 %o	>	>	2,094,200 >
		<u>\$</u>	2,880,700 >

Of the emission authorized amounting to \$ 5,720,000 only \$ 1,244,600 are destined for the payment of outstanding debts.

The circulation of Treasury Bills will be reduced on the 31st December to \$ 200,000 gold.

The loan of £ 300,000 has been reduced to £ 43,320 which will be extinguished on the 1st July next.

For the construction of the Baradero to Junin Canal, the La Plata Waterworks and House of Detention, the budget destined for the present year in casb bills and bonds the equivalent of \$ 2,580,000 gold.

The revenue for the current year estimated at \$ 9,590,000 gold will be distributed in the following proportions.

Education.....	21.15	°/o
Police	15.55	»
Justice.....	6.87	»
Service on debts.....	24.10	»
Public works.....	2.70	»
Other expenses.....	29.63	»
	<u>100.00</u>	<u>°/o</u>

It appears that the agreement entered into with the majority of the representatives of the bondholders will be accepted by all of them. The arrangement is advantageous to them, they begin to withdraw the bonds at 27 °/o from the first year till 46 $\frac{1}{2}$ °/o of their nominal value be reached.

The public works under consideration and about to be realized comprise :

Canal from Junin to Baradero, Narrow-gauge Railway — 700 kilometres — From La Plata passing through San Vicente, Monte, Saladillo, Veinticinco de Mayo and Nueve de Julio, bifurcating in two branches, one to the 5th meridian entering the Districts of Pinto and Villegas, and another running parallel to the existing line from Trenque Lauquen to Flora till it reaches the afore-said meridian.

Irrigation of Patagones, for irrigating 329,893 hectares of fiscal land.

The works for improving communication between the islands of the Parana are being continued.

There are 4,027 kilometres of public high-roads, the improvement of which will require an outlay of \$ 2,420,000 gold.

A survey has also been concluded of 651 kilometres of canals from Mar Chiquita to Pergamino, from Castilla Station to Parana de las Palmas and from the Port of La Plata to Chacabuco; adding the 308 kilometres from Baradero to Junin the total amounts to 959 kilometres.

In the drainage works 1,121,903 cubic metres of earth were extracted at a cost of \$ 264,800 gold.

Taxes collected reach the sum of \$ 2,156,000 gold, there still remain seven instalments which amount to \$ 8,360,000.

Land under cultivation :

Wheat. . .	1,386,300	hectares	producing	1,386,300	tons
Linseed ..	328,000	»	»	229,600	»
Maize . . .	836,000	»	»	1,713,200	»
Alfalfa, etc.	444,000	»			
Total...	<u>2,994,300</u>	»			

Exportation in 1903 reached \$ 154,906,000 gold ; 273,931 head of cattle and 4,186,700 sheep have been exported. For internal consumption 1,400,000 cattle and 2,900,000 sheep have been slaughtered.

The 47 Banks in operation held on the 31st of December deposits to the equivalent amount of \$ 16,544,000 gold, in savings bank and at long dates \$ 11,120,000.

Mortgages registered in 1903 represent \$ 20,300,000. The capital of the various industrial establishments, cold storage, mills, milk farms, etc., amounts to \$ 16,000,000 and their operations represent \$ 32,120,000.

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